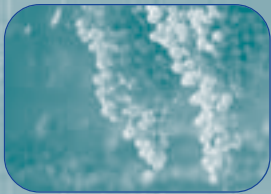




CALIFORNIA REGIONAL ECONOMIES PROJECT

Northern California Economic Base Report



Northern California Economic Base Report

**A Product of the
California Regional Economies Project
2004**

*Prepared by
J. K. Inc*

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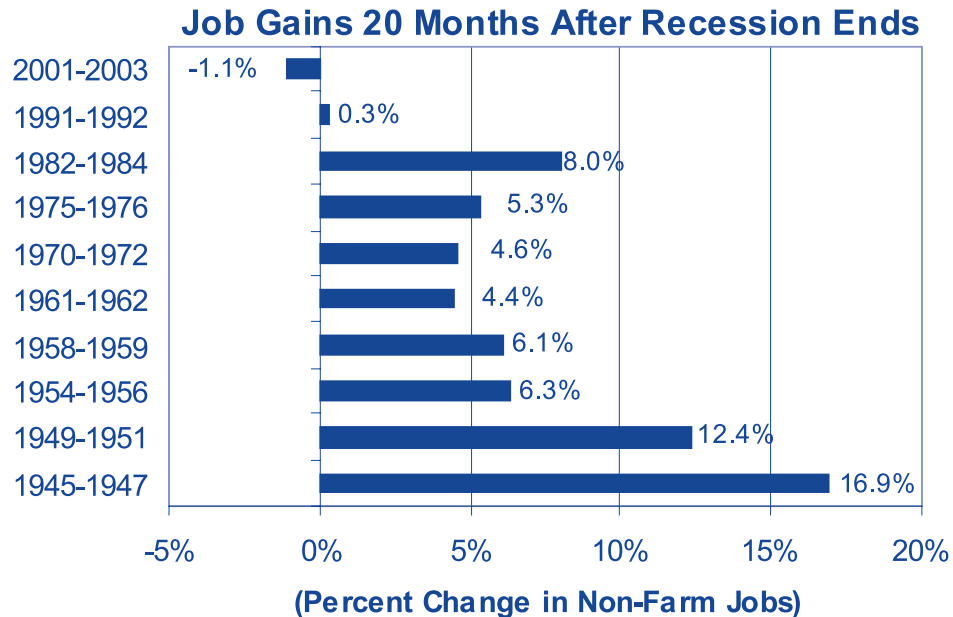
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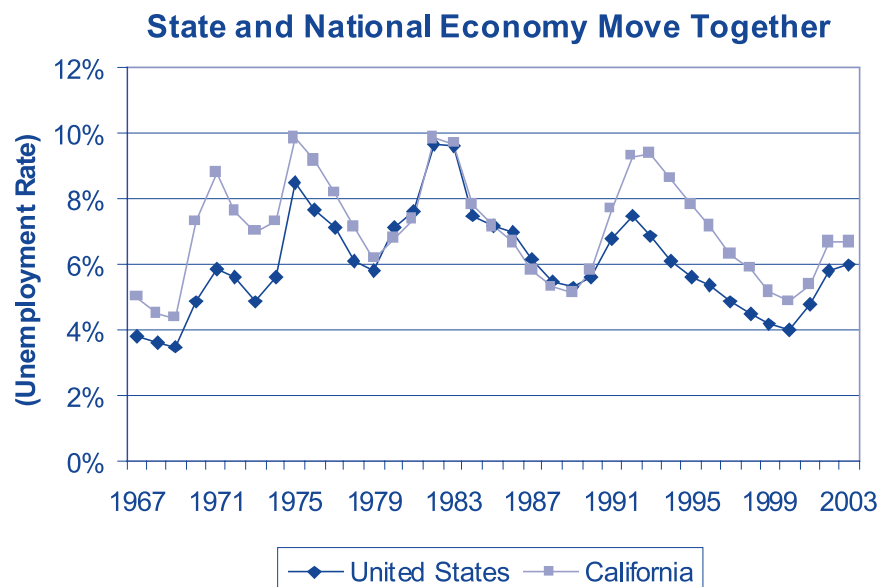
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The State and National Economic Context

The nation is beginning to recover from the weakest job recovery since the Great Depression. In every recession since World War II, job levels were higher 20 months after the recession ended, except in the recent period. The average net new jobs gain 20 months after the last seven previous recessions is 5%. A 5% increase in national net new jobs in the 2001-2003 period would be equal to more than a 6.5 million gain. Instead, the nation has lost an additional 1.5 million jobs since the end of the recession.

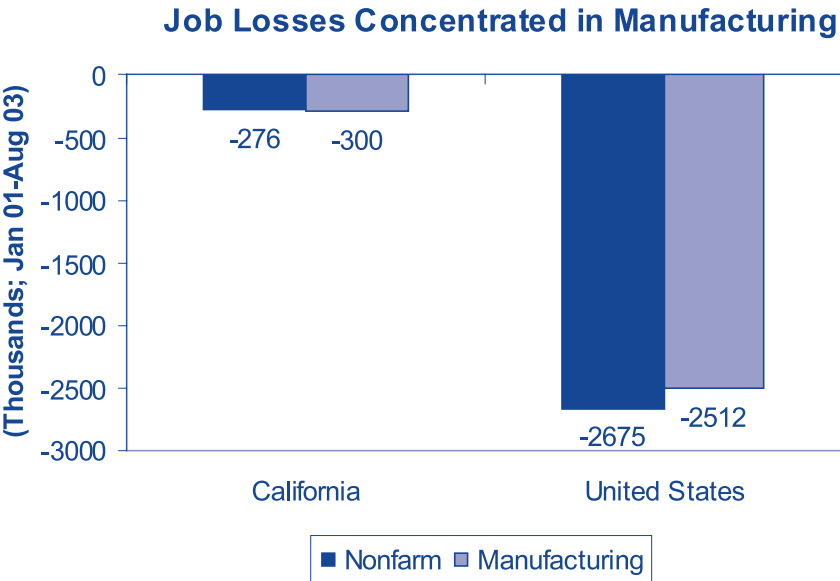


A strong national job recovery is essential for renewed job growth in California. While California can produce strong job and income growth when the national economy is growing, there are no cases when California prospered while the national economy was weak. In fact, as measured by unemployment or job and income growth, the State and nation have a long history of moving up and down together.

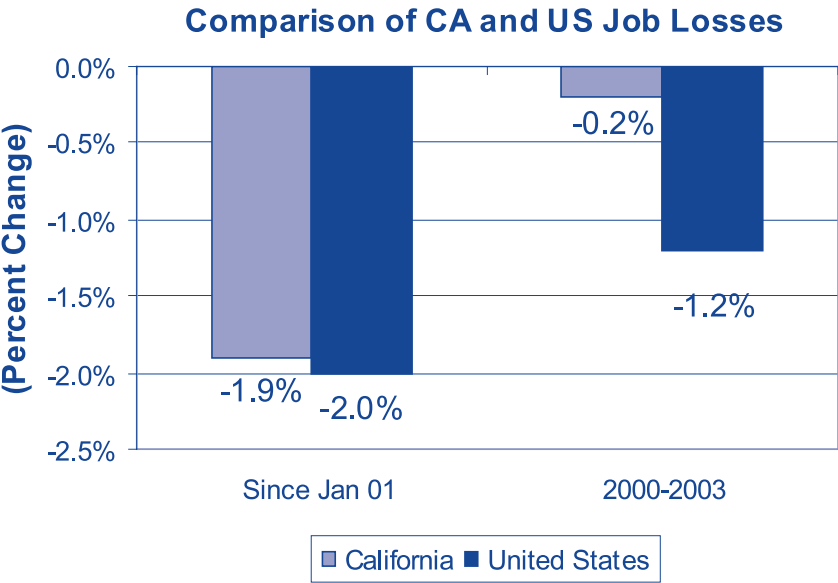


The only two times that the State and nation differed in economic cycles was in the early 70s and early 90s when California trailed the nation as the result of sharp cutbacks in defense spending.

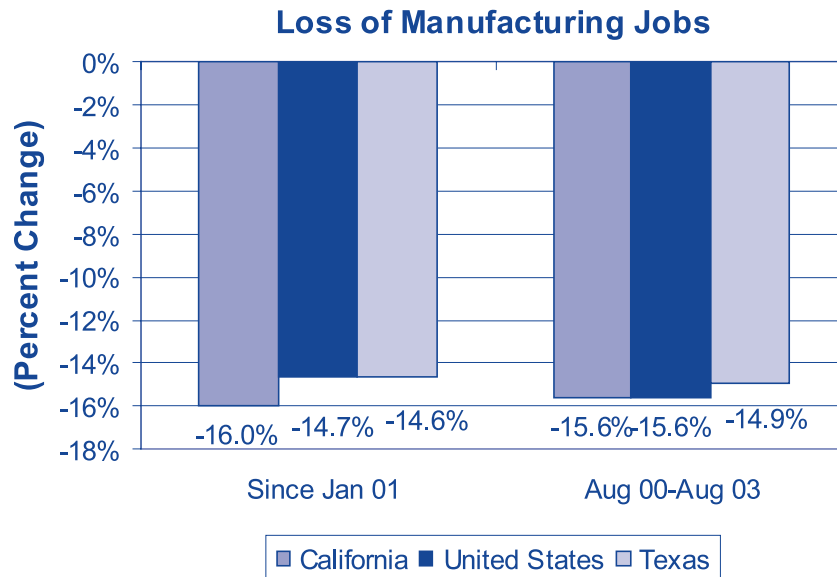
Since January 2001 when the recession began, California lost 276,000 nonfarm wage and salary jobs. During the same period, the State lost 300,000 manufacturing jobs. So, the State's entire recent job losses are accounted for by declines in manufacturing. The same picture emerges at the national level. Since January 2001, the nation lost 2.7 million jobs, of which 2.5 million were in manufacturing.



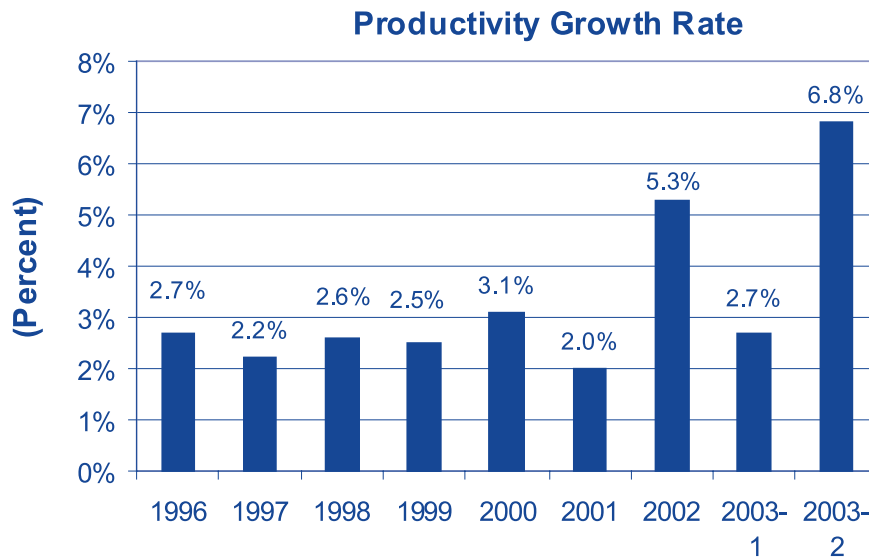
California has the same rate of job loss as the nation or has done a little bit better, depending on what time period is used to measure changes in job levels. Between January 2001 and August 2001, California lost 1.9% of the State's nonfarm jobs, while the nation lost 2.0%. When comparing average job levels in 2000 and 2003, State job levels are down 0.2% (26,600 net new jobs) while the nation's losses were 1.2%.



Manufacturing job losses were similar among California, Texas and the United States. Manufacturing job losses were approximately 15% since 2000 and did not vary much depending on what time period is used.



Productivity growth is one explanation of the “jobless” recovery. High productivity growth allows firms to produce more without needing additional workers and, in some cases, to produce more **with fewer workers**. Productivity growth has reached unusually high levels in 2002 and 2003. In 2002, productivity growth averaged 5.3% over 2001 levels. Roughly speaking, this level of productivity growth requires real GDP to grow at higher than 6.5% to reduce unemployment rates.



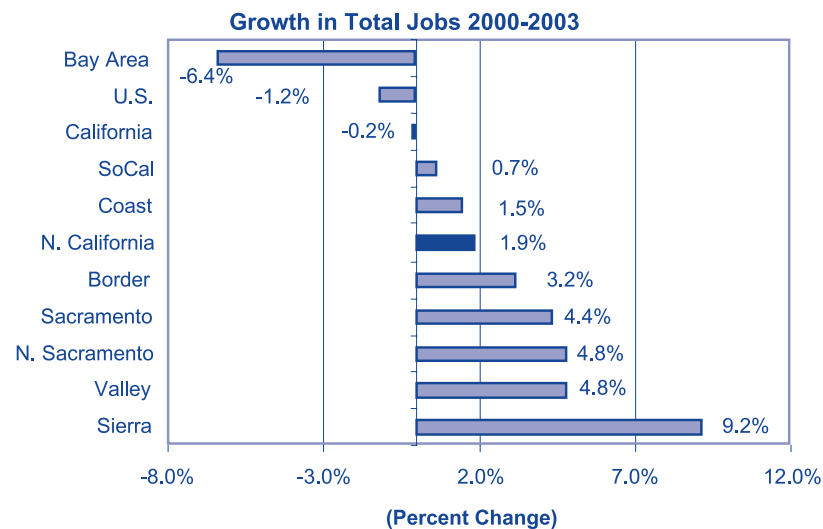
In the first two quarters of 2003, productivity growth is again averaging more than 5%. The estimated GDP gains of 4-5% for the rest of the year will not be enough to secure job growth. This is why, despite a turnaround in GDP growth, that it is almost mathematically certain that the nation will end the year with fewer net new jobs than in January 2003. And the labor force normally increases by 2 million per year.

Productivity growth is essential for long-term prosperity. Productivity growth allows profits and wages to increase and living standards to rise.

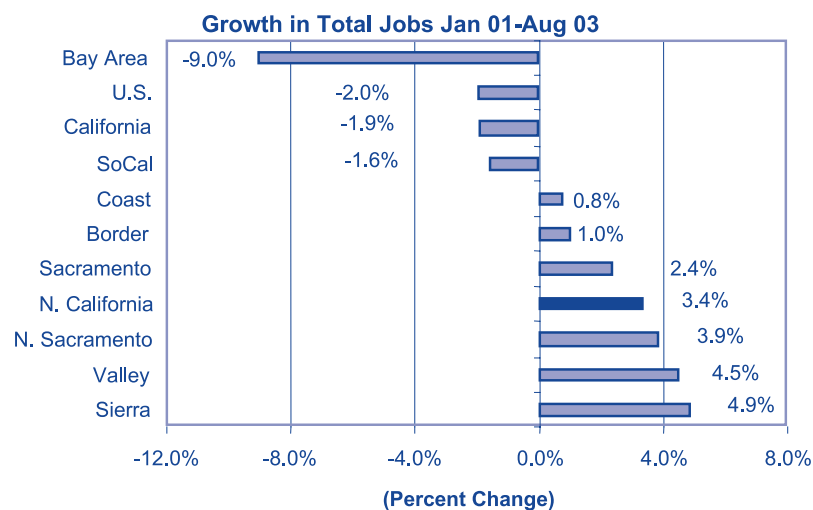
But, in the short-term, this exceptional productivity growth makes the job of getting back to full employment much more difficult. And this productivity growth explains “where” most of the lost manufacturing jobs went - not to another State, not even abroad (although some did), but simply lost because firms needed fewer workers to meet rising sales levels.

Job Growth Centered in Rural Economic Regions

The Bay Area is the only economic region that lost jobs between 2000 and 2003. The Bay Area lost 253,300 jobs comparing the annual average job levels in 2000 and 2003. The State lost 26,600 jobs. The other eight economic regions **added 226,700 net new jobs**. Job gains of more than 4% were recorded in the Central Sierra (CS), Greater Sacramento, Northern Sacramento Valley (NSV) and San Joaquin Valley (SJV) economic regions. Southern California (SC) posted a small (0.7%) job increase. The NC economic region experienced a small 1.9% job increase during the 2000-2003 period which was among the lowest job increases in the other rural regions of the State, but better than the U.S. or California.

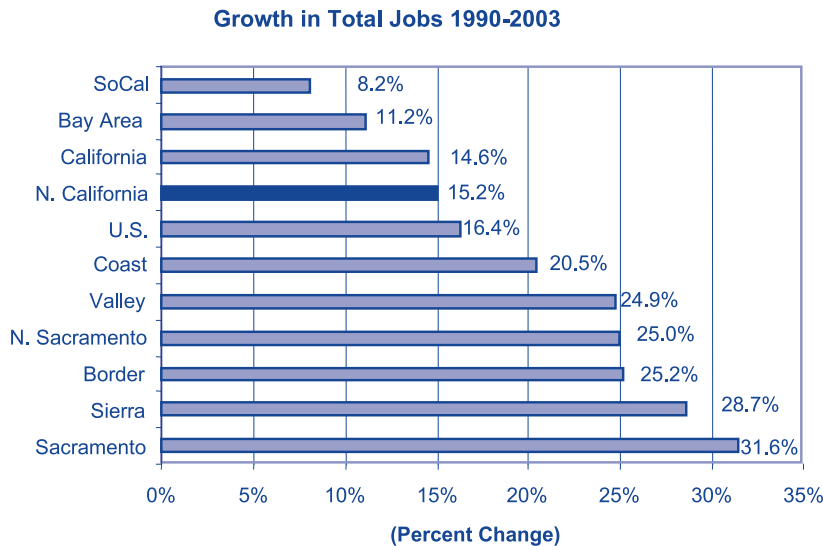


The overall pattern of economic regional employment growth does not change much even if one looks at the period starting at the beginning of the recession in January 2001. From January 2001 through August 2003, the Bay Area lost 9.0% of the economic region's job base. Southern California had a job decline of 1.6%, less than the nation's 2.0% job loss, and **all other economic regions of the State showed job gains**, led by Greater Sacramento and four of the State's five rural economic regions. The NC economic region was among the lowest with a job gain of 1.9% compared to 4.8% for the NSV and 9.2% for the CS economic regions.

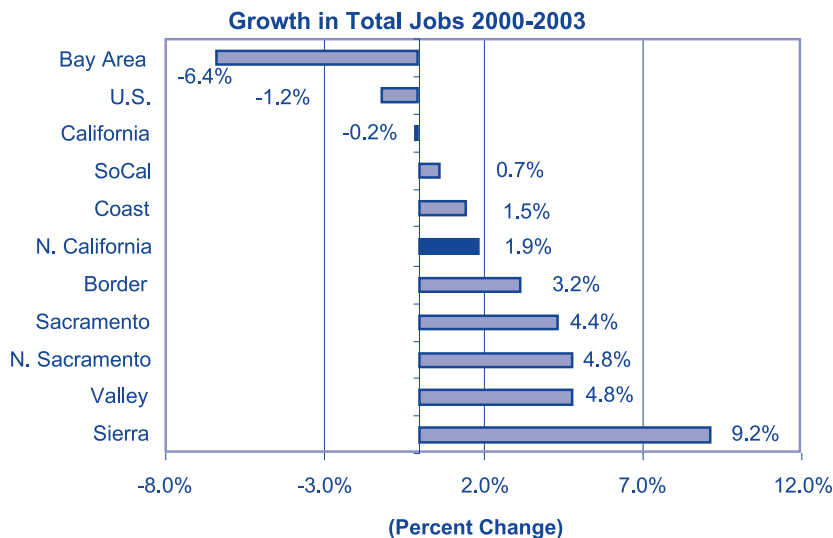


Comparison of Economic Regions

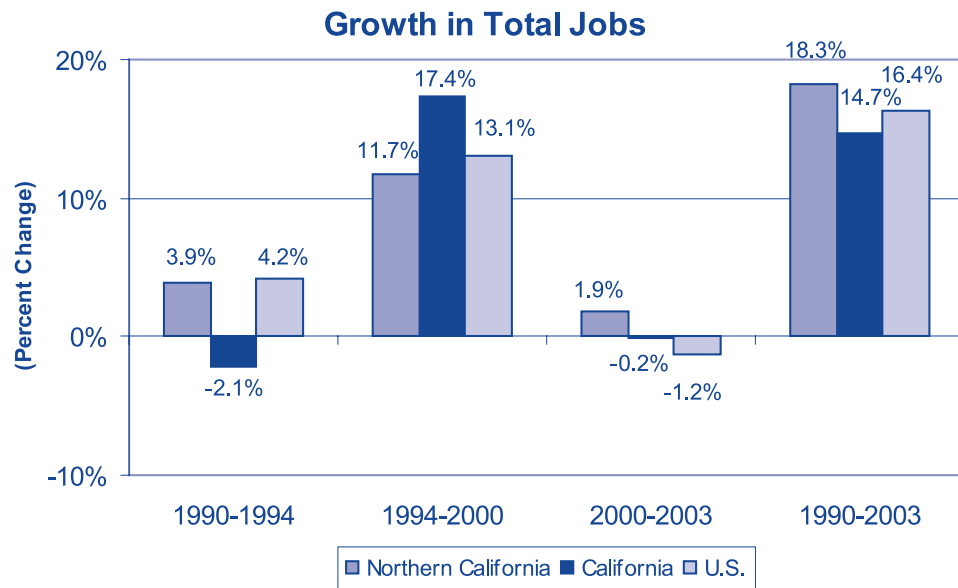
The Bay Area and Southern California had the lowest job growth rate since 1990 among the State's nine economic regions. Net new jobs in the Bay Area increased by 11.2% compared to the nation's 16.4% gain. Only Southern California with an 8.2% increase trailed the Bay Area. The Greater Sacramento economic region had the largest gain at 31.6%. The NC economic region posted a modest 15.2% increase in net new jobs over the 1990-2003 period, which was greater than California and the two largest economic regions in the State, the Bay Area and Southern California, but lower than the U.S. (16.4%) and lower than all the other regions of the State.



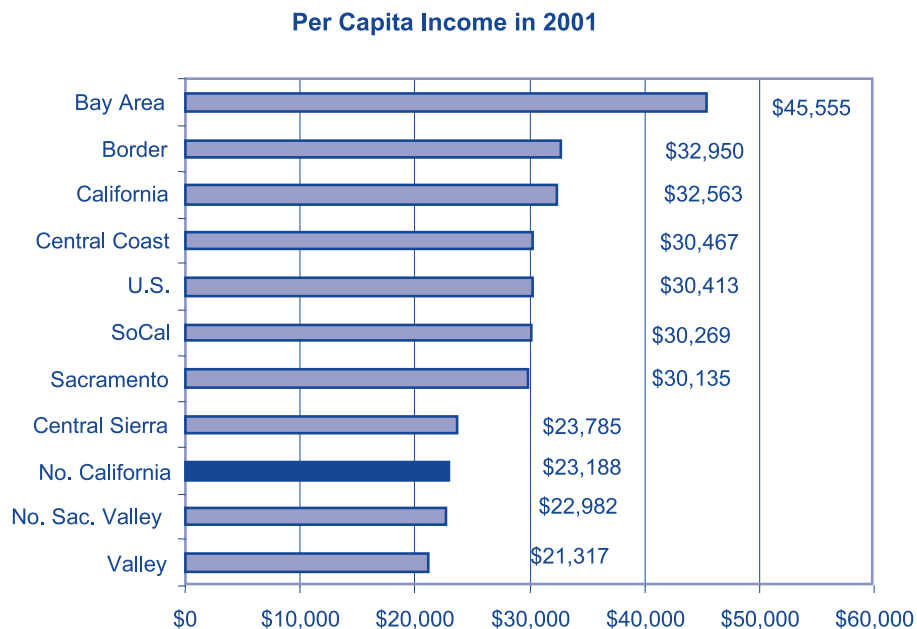
Trends in total job growth between 1990 and 2003 were also reflected in the most recent data from 2000 to 2003. The Bay Area continued its decline by losing 6.4% of its job base, more than either the U.S. or California, despite the fact that all other economic regions in the State experienced continued job growth. At a growth rate of 1.9% the NC economic region was still well below the other regions in the State with the exception of the Bay Area and Southern California although it was above the job growth for the U.S. and California.



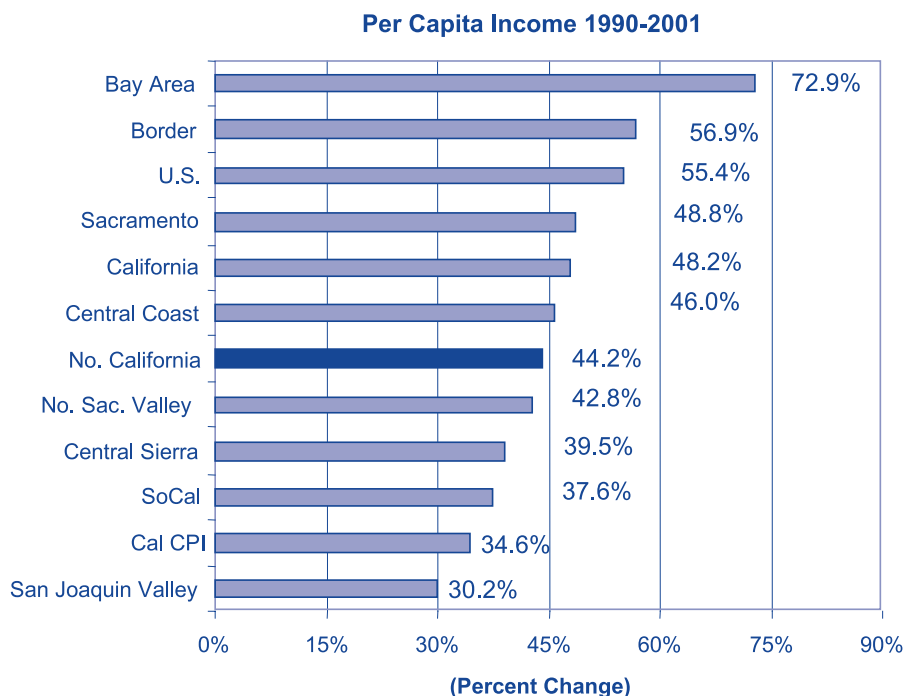
Growth in total net new jobs for the 1990-2003 period can also be compared for each of three temporal segments in the period 1990-1994, 1994-2000 and 2000-2003. This view illustrates the cyclical nature of employment growth during this relatively brief period. For example, job growth in the NC economic region was above the State in the 1990-1994 period, but below the State in the 1994-2000 period. However, job growth in the NC economic region was below the U.S. in the first two periods and well above both the U.S. and the State in the 2000-2003 period. The NC region led both the U.S. and the State in the overall period, 1990-2003. Small variances in job growth increases among charts is due to use of different databases.



Per capita income for all economic regions in the State demonstrates clearly the three-tier character of income distribution. The Bay Area stands alone in per capita income at \$45.5 thousand. California, the U.S. and four economic regions follow with per capita income levels between \$32.9 and \$30.1 thousand. The NC economic region along with three other rural economic regions are in the lowest tier with per capita incomes between \$23.7 and \$21.3 thousand with the NC economic region being \$23,188 compared to \$32,563 for California.



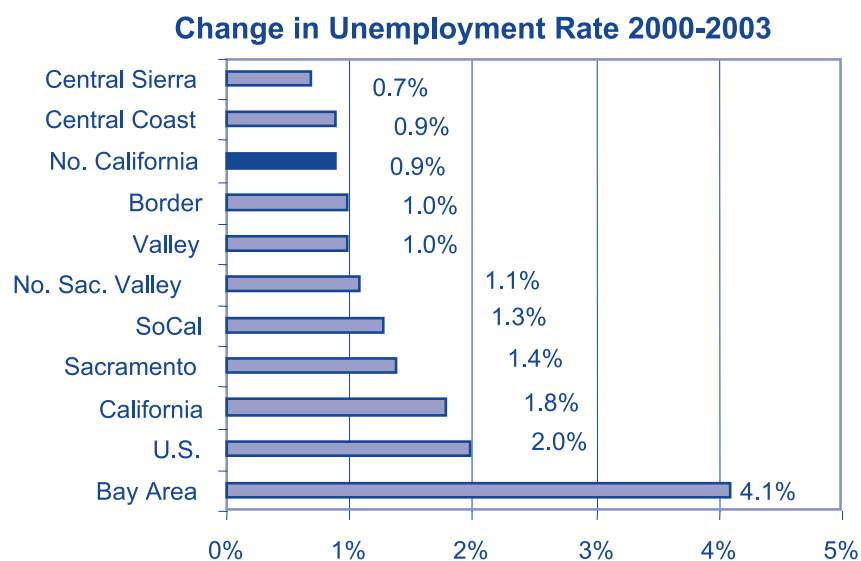
Per capita income growth between 1990 and 2001 further reveals that the three tier characteristics of per capita income in the State changed little during the past decade. The Bay Area led the way with a 72.9% increase in per capita income. The Second tier remained the same with the exception of Southern California, which dropped to the bottom of the third tier economic regions in per capita income growth, below the NC economic region and other rural economic regions. The NC economic regions per capita income grew by 44.2% between 1990-2001. This was well above the CPI for the State and better than per capita income growth in the NSV, CC and the SJV. But it was lower than that for the State (48.2%) or the U.S. (55.4%) during the 1990-2001 period.



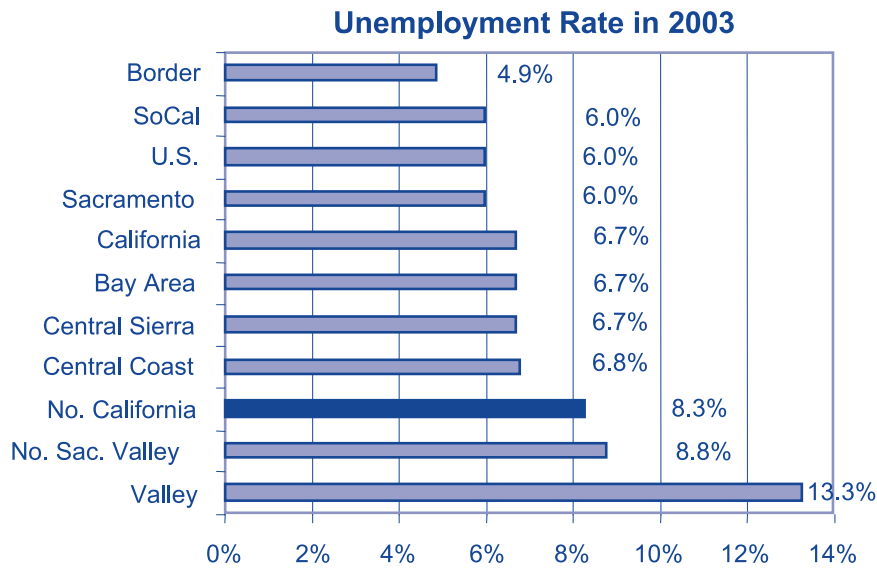
In contrast to the job and income growth previously presented, there is a great deal of similarity among the economic regions in terms of their unemployment rates. The Bay Area and Southern California share an approximate unemployment rate of between 6.0% and 6.8% with Sacramento the Central Sierra and the Central Coast. The Southern Border economic region is clearly better off than other economic regions with an unemployment rate of 4.9%.

Per capita income is affected by high unemployment rates, which tend to hold wage levels down or decrease them. The NC economic region had among the highest unemployment rate in the State in 2003, 8.3%. This is higher than California, the U.S. and all other economic regions in the State except the NSV (8.8%) and the SJV (13.3%).

The Bay Area had the largest increase in unemployment rates among California economic regions since 2000. Bay Area unemployment rates increased by 4.1%, from 2.6% in 2000 to 6.7% so far in 2003. **Every other economic region of the State, including Southern California, had a smaller increase in unemployment rates than California or the nation.** The Bay Area went from having the lowest regional unemployment rate in California to being near the State average. The NC economic region's unemployment rate increased by a modest 1.1%, which was less than the increase in unemployment for California and the U.S and far less than that for the Bay Area.



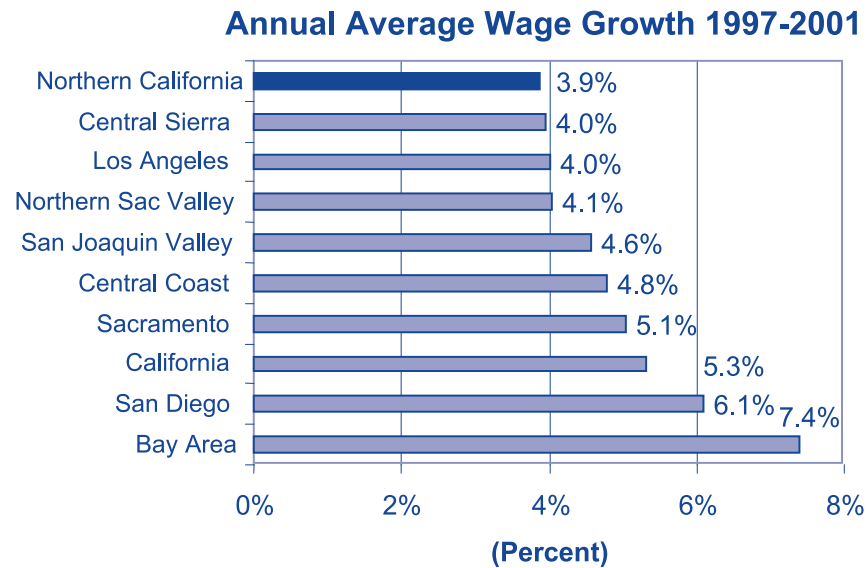
Data for 2003 on unemployment rates show significant improvement for two of the rural economic regions in the State, the CS and CC. However, the unemployment rates for NC, NSV and SJV remained high. The NC economic region had an unemployment rate of 8.3%, well above the average for most the State, the U.S. and most of the rural economic regions in the State.



Average wages for the rural economic regions of California in 2002 show the disparity between these economic regions and the average wage for California. This disparity is the major reason for the lower per capita income, which is persistent in rural California. The NC economic region's average wage in 2002 was just over \$31,800, the lowest of all the State's five rural economic regions.



Data on average annual wage growth in the rural economic regions of the State also shows little change in the three-tier income system that is reflected in the per-capita income data for the 1990-2002 period. The NC economic region, for example, had an increase in average wages of 3.9% during the 1997-2001 period for which data is available. This increase shows that no gain was made in bringing wages in the NC economic region up to that of the other rural economic regions of the State that already had higher wage rates.



High unemployment rates and low wages are the primary problem facing the State's rural economic regions and are particularly pertinent to the level of performance of the NC economic region. Low wages result in less purchasing power in the area to support local serving businesses and high unemployment rates keep wages down. The solution to this situation lies in the expansion of sectors and firms that can pay above the minimum wage in their industry and still remain competitive through increasing productivity.

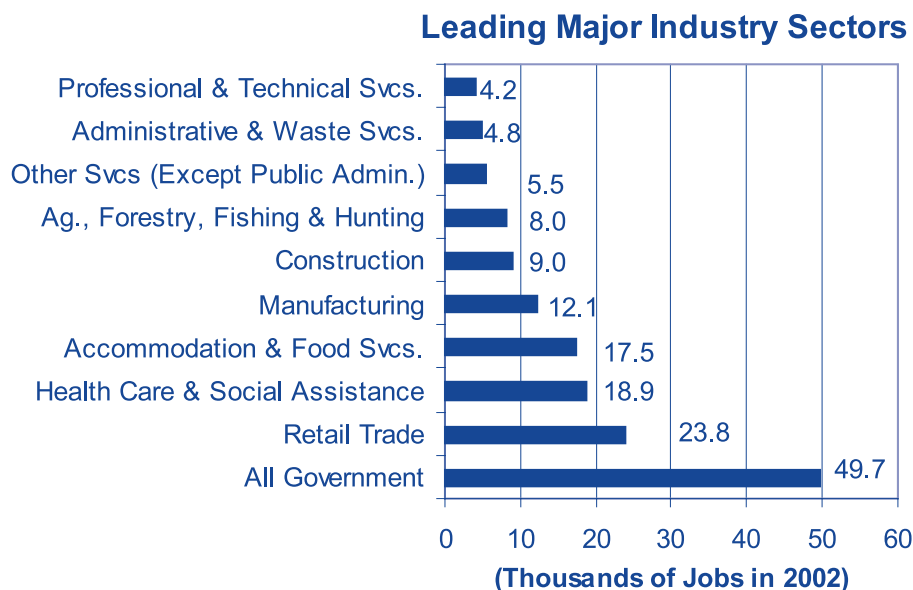
Major Industry Sectors in the NC Economic Region

The major industrial sector categories for reporting job data have changed with the introduction of the North American Industry Classification System (NAICS). Some of the major industry categories like Construction, Manufacturing, Financial Activities, Wholesale Trade, have either identical or similar names to the previous SIC-based categories and cover approximately the same set of industries and workers. The NAICS Retail Trade category is the same as before, but without eating and drinking establishments, which have been moved to the new Accommodations and Food industry. Hunting has been added to the Agriculture, Forestry, Fishing & Hunting industrial category.

Some major industrial sector categories are new including Professional and Technical Services, Information, Health Care and Social Assistance and Administrative & Waste Services. Within the NAICS major industrial sector categories are many new industrial sector categories like telecommunications, management of companies and enterprises, software publishing, childcare, and couriers.

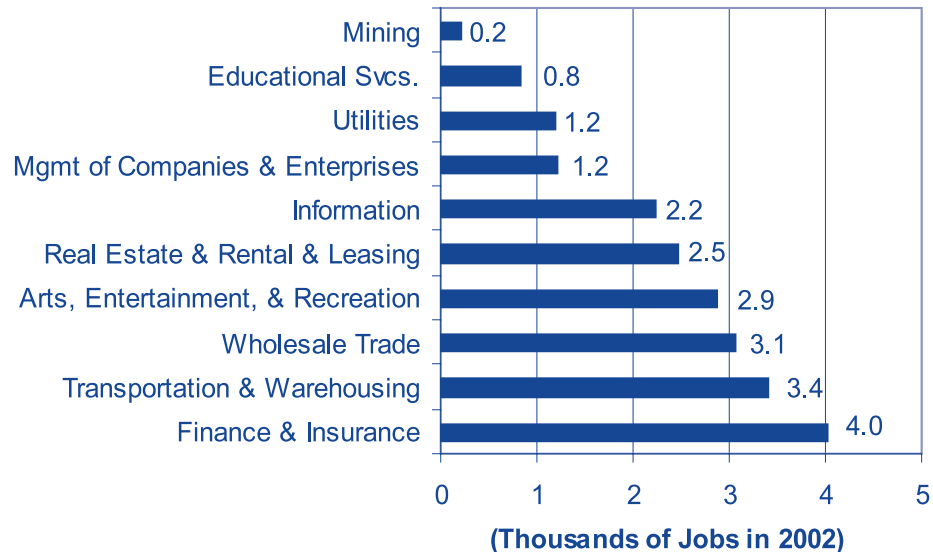
The leading major industry sectors in the NC economic region were led by All Government, which includes local public education through high school. This sector provided almost 50,000 jobs in 2002. Retail Trade was second with 23,800 jobs and Health Care & Social Assistance was third with 18,900 jobs in 2002. Accommodations & Food Services provided an additional 17,500 jobs placing fourth in the number of jobs in the NC economic region. Manufacturing was fifth with 12,100 jobs.

In addition to the five industrial sector leaders five additional industries; Construction, Ag, Forestry, Fishing & Hunting, Other Services (Except Public Administration), Administrative & Waste Services and Professional Services, combined in providing an additional 31,500 jobs in the NC economic region in 2002.



In addition to the ten leading industry sectors which provided 153,500 jobs in the NC economic region in 2002 ten additional sectors contributed to the job mix in the region led by Finance & Insurance with 4,000 jobs, Transportation and Warehousing with 3,400 jobs, Wholesale Trade with 3,100, Arts, Entertainment, & Recreation with 2,900 and Real Estate & Rental & Leasing with 2,500. Five additional industries made a combined contribution to the NC economic region's job mix of 5,600 jobs.

Other Major Industry Sectors

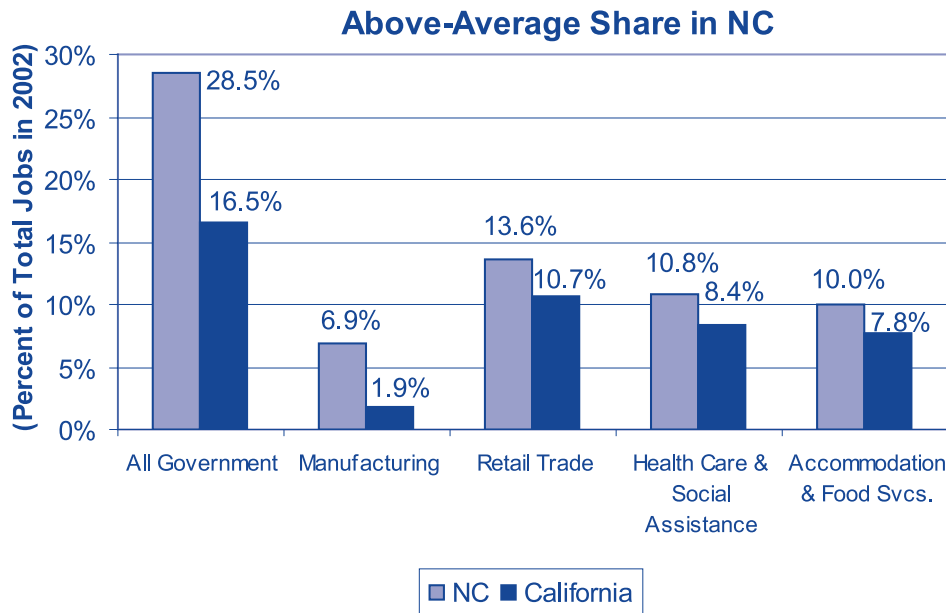


A measure of the importance of each of these industries to the NC region economic base is the share of total State employment in their respective industries statewide. This measure allows NC regional decision-makers to see how each industrial sector in the NC Regional economic base is performing when compared to their industrial sector in the State.

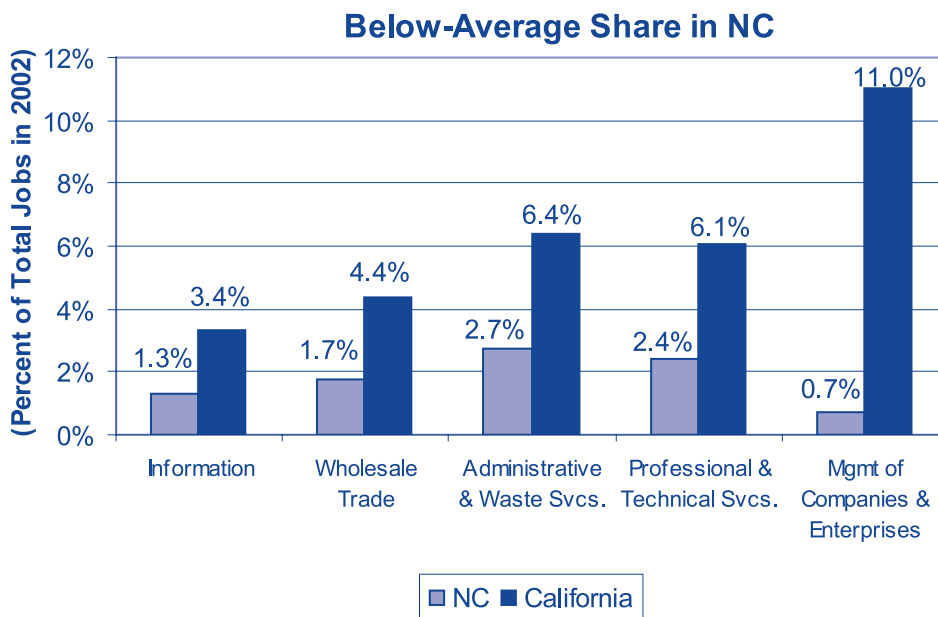
The following graphics identifies the leading industries in the NC with respect to this measure. Five industries were found to have an above average share of the total net new jobs in their industrial sector while five other industries were found to have a below average share.

The five industries having an above-average share of the jobs in their industrial sector statewide were All Government, Manufacturing, Retail Trade, Health Care & Social Assistance, Accommodations & Food Services. The job mix of these five industries in the NC economic region in 2002 was a higher percentage of total jobs than that for their industrial sector in the State.

For example, Manufacturing jobs statewide in 2002 was 1.9% of total jobs while Manufacturing jobs in the NC economic region constituted 6.9% of total jobs in the region. Health Care & Social Assistance, which had 10.7% of total jobs in the State for this industrial sector, had 13.6% of all jobs in the NC economic region.



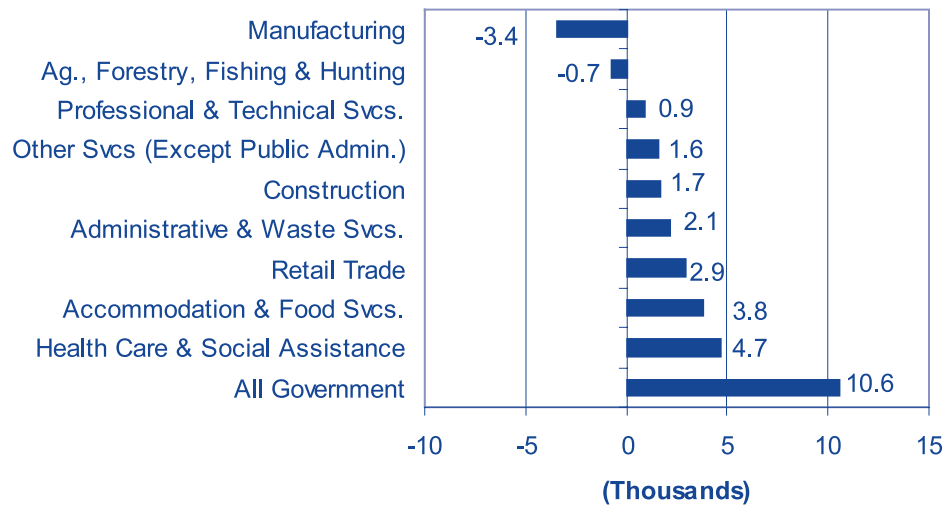
The five industries that fell below average in share for their industrial sector included Information, Wholesale Trade, Administrative & Waste Services, Professional & Technical Services and Management of Companies & Enterprises. For example, Professional & Technical Services made up 6.1% of all jobs in the State while it made up only 2.4% of all the jobs in the NC economic region. This indicates that jobs in the Professional & Technical Services sector in the NC region are below the level for the industrial sector statewide.



In addition to the size of the leading major industries in the NC economic region it is useful to look at the leaders in job growth. Eight industries added 28,600 new jobs to the region between 1990 and 2002. This was offset by the loss of -4,100 in two of the larger industries in the region, Manufacturing lost 3,400 jobs during the twelve-year period while Ag., Forestry, Fishing & Hunting lost 700 jobs. The net job gain for these ten industries during the study period was, therefore, 24,500 net new jobs added to the regional job mix.

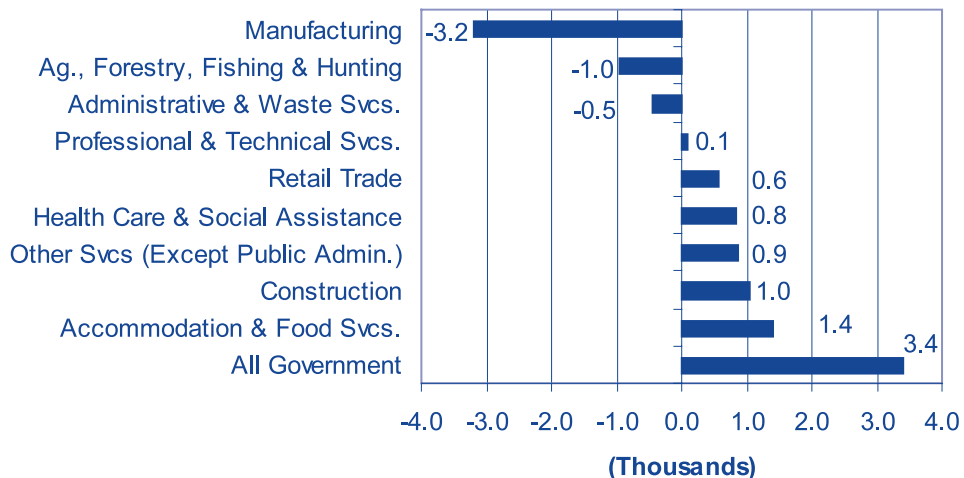
The leading contributors to the job gains were All Government (10,600), Health Care & Social Assistance (4,700), Accommodations & Food Services (3,800), Retail Trade (2,900) and Administrative Services (2,100). Other contributors were Construction, Other Services and Professional & Technical Services. These industries added another 4,200 net new jobs to the region's economic base.

Job Growth in Leading Major Industries 1990-2002



Job growth in the NC economic region more recently, 2000-2002, showed little change in the job growth trends established during the twelve-year period. Although there were some shifts in the job growth rates between industry sectors, three of the top five leaders, All Government, Health Care & Social Assistance and Accommodations and Food Services, remained in the top five leadership positions. Construction and Other Services dropped out of the top five and were replaced by Retail Trade and Administrative & Waste Services.

Job Growth in Leading Major Industries 2000-2002



NC Economic Base

The term economic base is usually limited to those industries that export their products and services outside the jurisdiction that comprises the study area leaving out those industries that primarily or exclusively serve the local population base. This convention, however, is becoming more difficult to maintain since many industries now serve both the local population and the export market extensively.

Therefore, this analysis of the NC as well as the analysis for the other four rural economic regions in the State (San Joaquin Valley, Central Coast, Central Sierra and the Northern Sacramento Valley) include both local serving and export industries in our definition of the economic base. The criteria for selecting the components of the economic base are the top job providers in 2002 and top job generators from 1990 to 2002.

Based on these criteria, the ten industries included in the NC economic base for this analysis are the following*

- All Government
- Health Care & Social Assistance
- Arts, Entertainment, and Recreation
- Retail Trade
- Accommodations & Food Service
- Construction
- Administrative & Waste Services
- Other Services (Except Public Administration)
- Professional and Technical Services
- Management of Companies & Enterprises

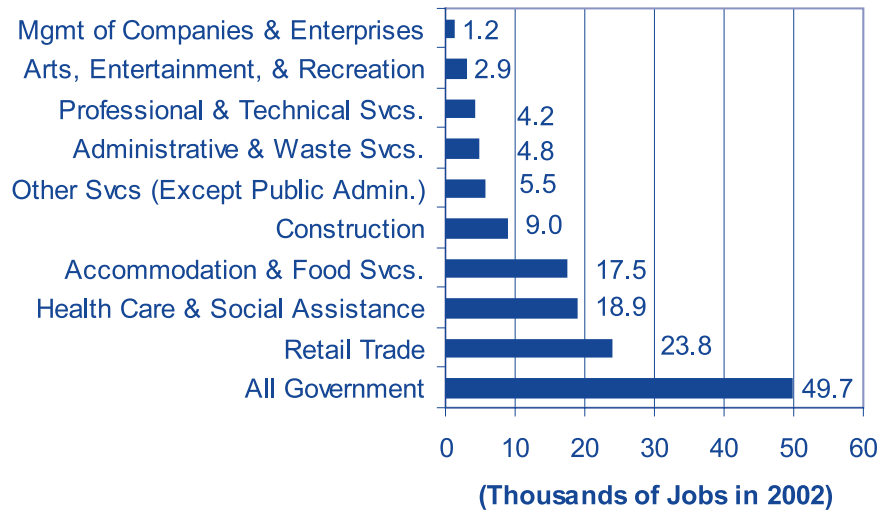
Therefore, in this analysis the NC economic base is composed of the ten industries that provide the greatest number of net new jobs in and/or those industries that have shown the largest increase in net new jobs over the 1990-2002 period. The overall performance of these ten industries can also be measured by their ratio of job growth to that of the industrial sector throughout the State during this period.

Two measures were used to identify the industries that make up the NC regional economic base: 1) the total number of jobs included in the industrial sector in 2002, and 2) the total number of jobs created in the industrial sector during the 1990-2002 period. The following two graphics present the top ten industries for each of these measures.

The All Government sector led all others in total number of jobs in 2002 at 49,700 jobs. Second was Retail Trade with 23,800 jobs followed by Health Care & Social Assistance with 18,900 jobs. Accommodations & Food Services was fourth with 17,500 jobs. Finally, Construction provided 9,000 jobs in the NC economic region in 2002. Five other industrial sectors combined to provide 18,600 jobs in the region.

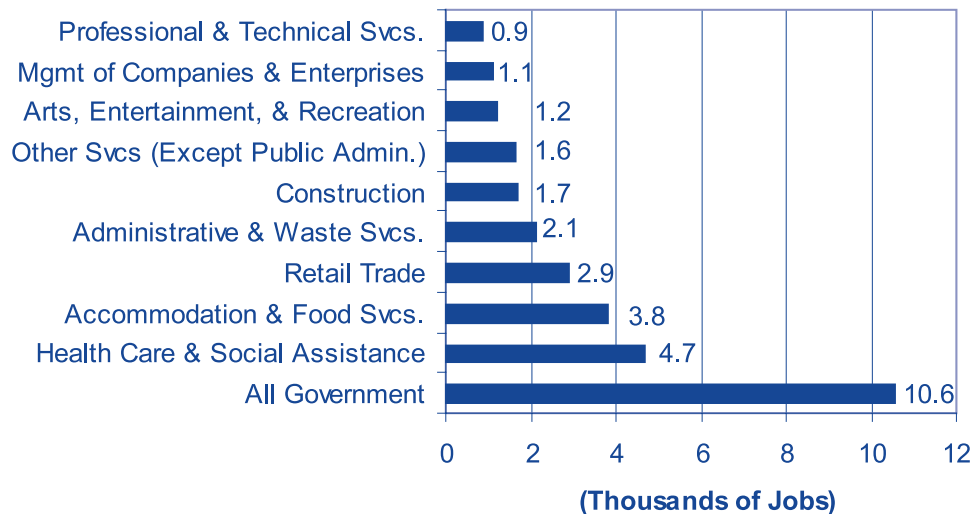
*See Appendix for a list of sub-sectors in these NAICS categories

Northern California Economic Base



The second measure is the number of net new jobs added to the economic base of the NC economic region during the 1990-2002 period. The top ten industrial sectors based on this measure are presented below.

Change in NC Economic Base 1990-2002

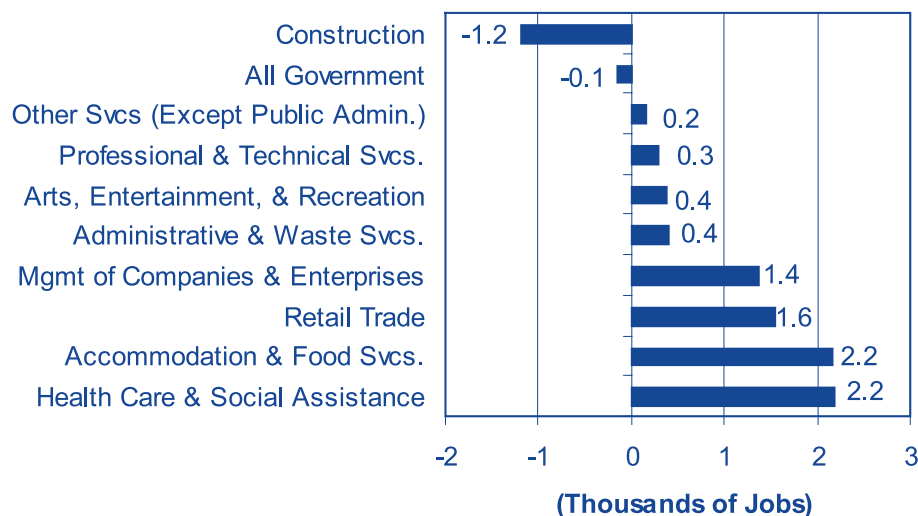


All Government led adding 10,600 net new jobs to the total for this sector over the 1990-2002 period. All Government was followed by Health Care & Social Assistance, which provided net new jobs, and Accommodations & Food Services, which added 3,800 net new jobs to the NC economic base. Retail Trade added 2,900 net new jobs and Administrative & Waste Services added 2,100 net new jobs. Five additional industrial sectors made a combined contribution of net new jobs to the region in the amount of 6,500 net new jobs over the twelve year period.

These changes in job growth were not uniform during the 1990-2002 period, however. The following tables indicate the extent of job growth for the ten top industries for each of three periods, 1990-1994, 1994-2000 and 2000-2002.

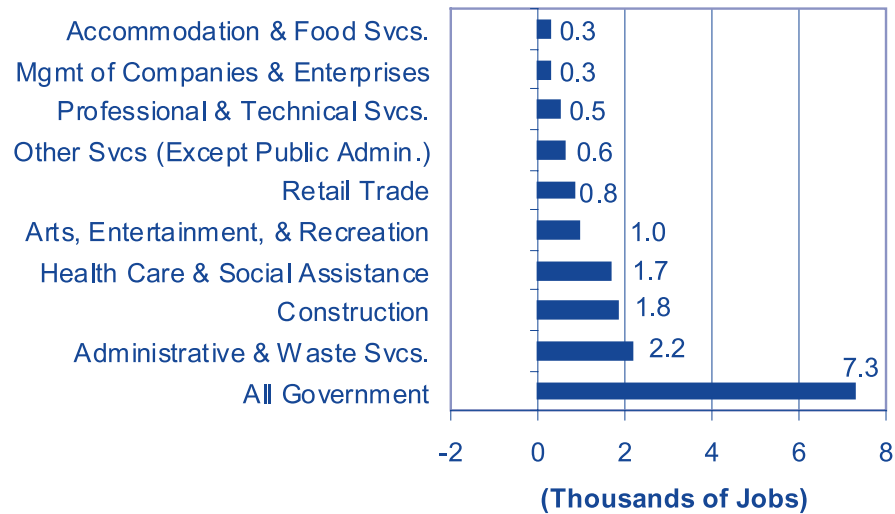
During the initial period, 1990-1994, Health Care & Social Assistance led in net new job growth adding 2,200 to the job base. This was matched by Accommodations & Food Services, which also added 2,200 to the job base. Retail Trade and Mgmt. of Companies and Enterprises combined to add 3,000 net new jobs to the NC job base.

Change in NC Economic Base 1990-1994



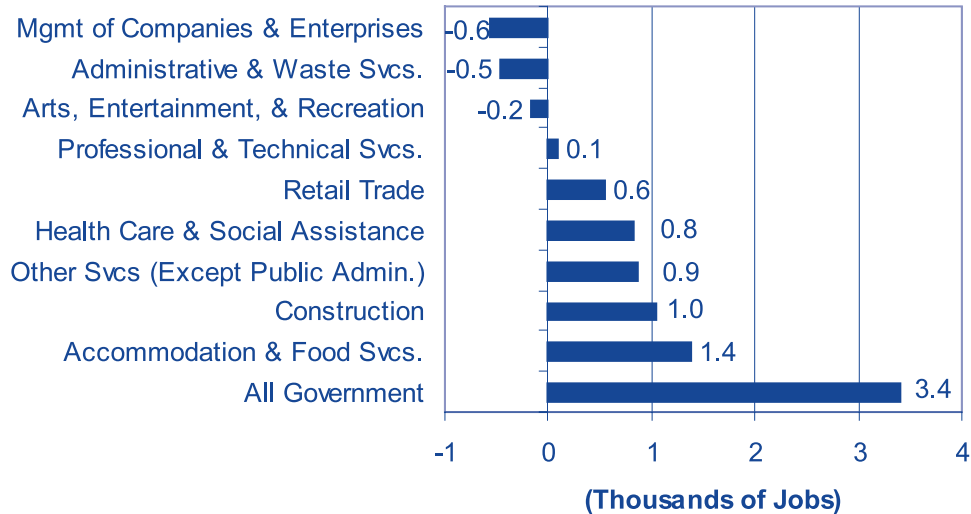
During the following segment of the period, 1994-2000, All Government was the overwhelming generator of net new jobs adding 7,300 to the employment mix in the NC economic region. Administrative & Waste Services added 2,200 net new jobs and Construction added 1,800. However, Accommodations and Food Services fell to the bottom of the top ten adding only 300 net new jobs and the Mgmt. of Companies & Enterprises added the same amount. Health Care & Social Assistance dropped out of first place but still maintained a positive net new job growth adding 1,700 to the NC job base.

Change in NC Economic Base 1994-2000



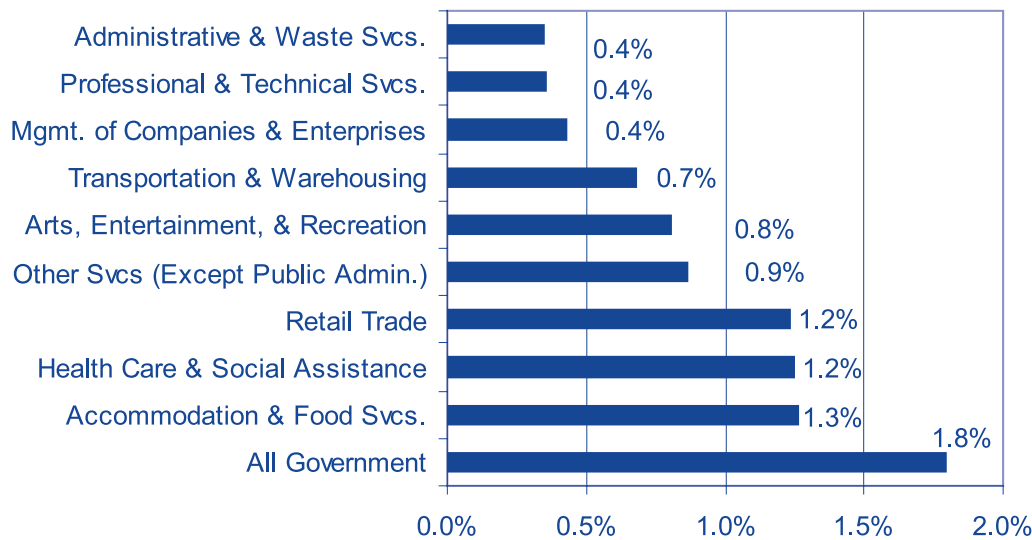
During the final segment of the period, 2000-2002 All Government continued to dominate net new job growth in the NC economic region adding 3,400 net new jobs. Accommodations & Food Services remained adding 1,400 net new jobs. But several leading sectors lost jobs and others showed only modest gains.

Change in NC Economic Base 2000-2002



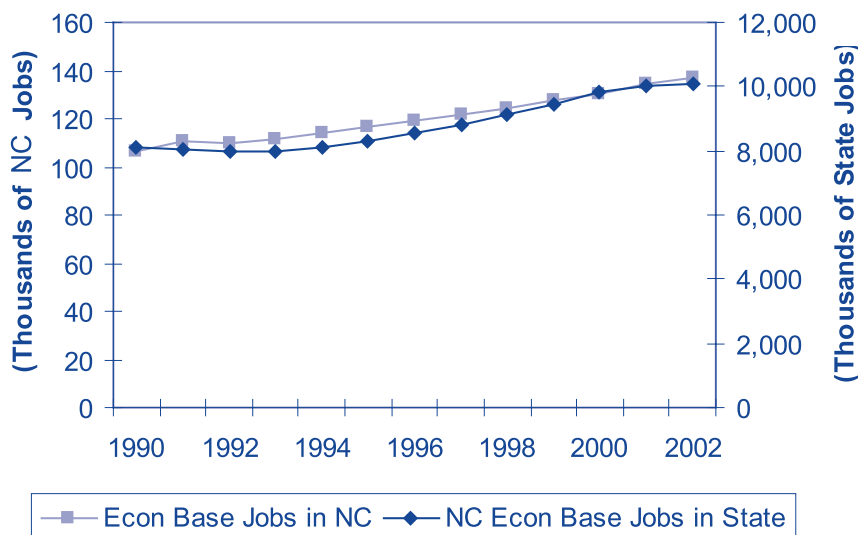
Another way of determining the performance of individual industry sectors in the NC Regional economic base is to compare their job growth with that for the State. The following graphics show that most of the leading industries in the NC are below average in their share of net new jobs being created in the State in their respective industries. The exceptions are All Government, Accommodations & Food Services, Health Care & Social Assistance and Retail Trade.

NC Share of California, 2002



The following graphic shows that the NC industries included in the economic base reflected the growth of the industries as a whole statewide despite the differences in relative growth for selected individual industrial sectors. This indicates that these industrial sectors can be expected to be the major producers of jobs in the region barring any fundamental change in the growth of these industries statewide. Continued growth could also be influenced by changes in the relative competitive strength of NC locations in meeting the requirements of firms in the industries that make up the regional economic base and the response of NC jurisdictions to these changes.

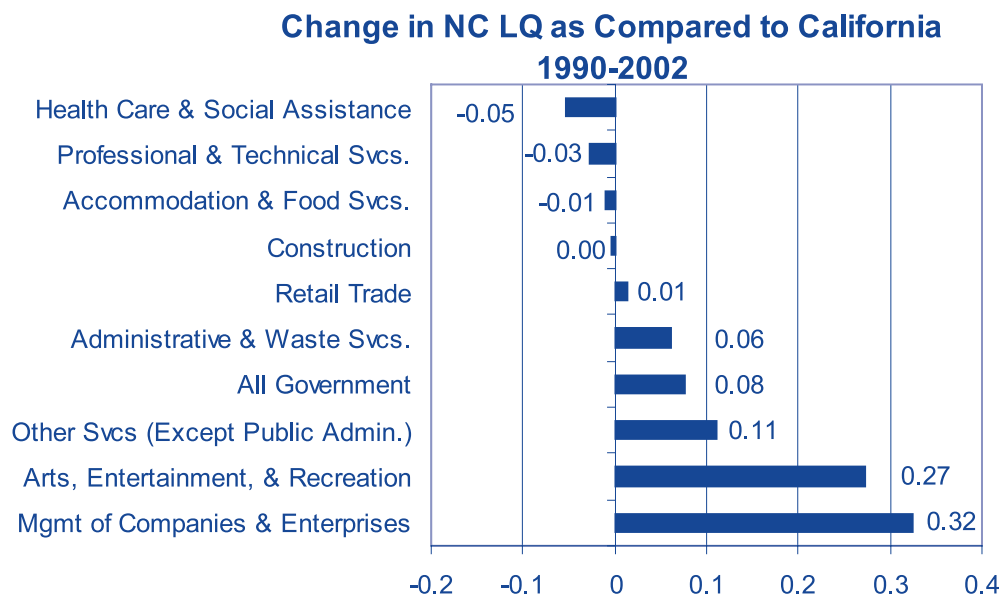
Northern California Economic Base



Yet another way of analyzing the performance of the NC economic base is to examine the increase in concentration of each industrial sector in the region and compare that to the increase in concentration of jobs in those industries in the State. How much the relative position has changed over the 1990-2002 period provides a measure of increase in concentration for each economic base industrial sector in the NC economic region relative to the concentration of the region in CA.

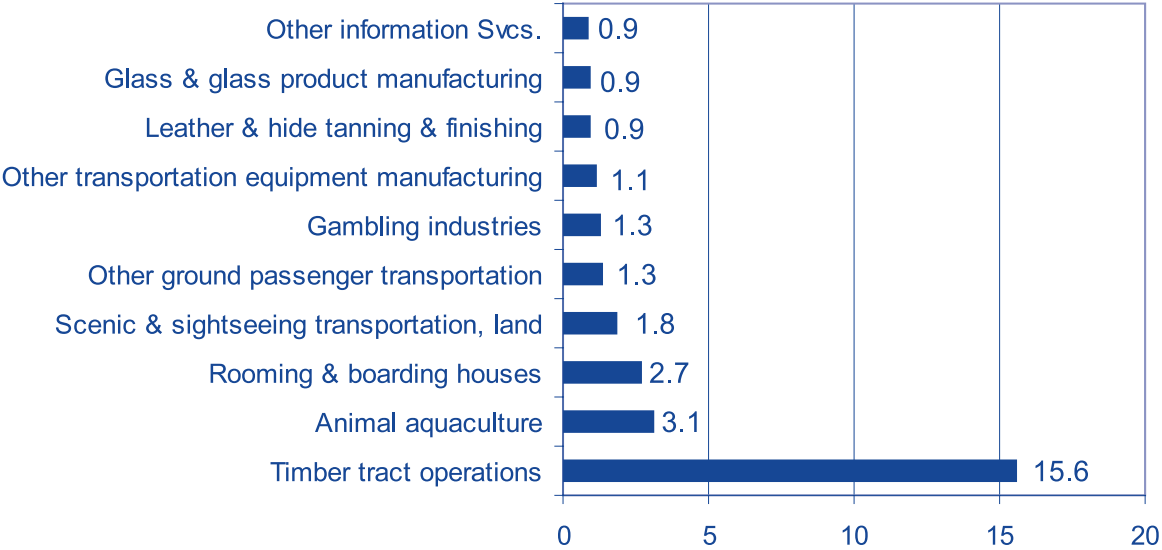
The following graphics provide that analysis for the leading industries in the NC economic region during that period and for smaller industries which showed strong growth potential. As can be seen from the following, the Management of Companies and Enterprises and Arts, Entertainment & Recreation significantly increased their concentration in the NC economic region during the 1990-2002 period. Other sectors increasing their concentration were Other Services (Except Public Administration), All Government and Administrative & Waste Services. Retail Trade showed a modest increase in concentration.

Importantly, however, four leading industries in the NC economic region over the 1990-2002 period lost some of their concentration in the NC region relative to the State, including Construction, Accommodations & Food Services, Professional & Technical Services and Health Care & Social Assistance. Since these industry sectors are growing rapidly and significantly statewide, a reduction in the level of concentration means that the NC economic region is less competitive than other regions of the State in the level of job growth in several important industry sectors among their top ten economic base industries.



The following graphic shows the level of concentration for the ten top job providers that began the period with less than 50 jobs. These are a sample of the smaller industries from which the region may find entrepreneurial development in the future. However, some firms in these industrial sectors may be high-risk ventures that will need to be nurtured to succeed. Others may be economically viable but have limited job growth potential related to the nature of demand in their industrial sector.

**Change in NC LQ for Top 10 Job Providers with < 50 Jobs
in 1990, 1990-2002**

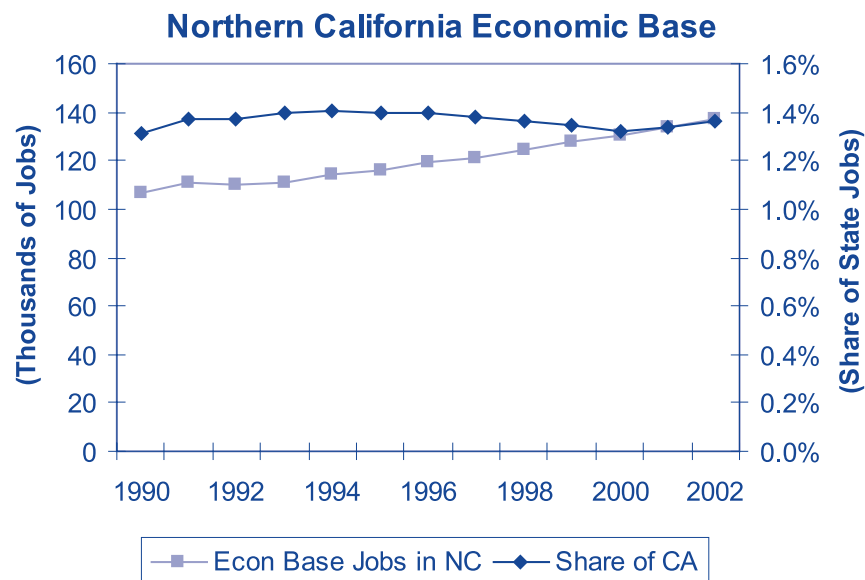


Detailed Descriptions of the NC Economic Base Industries

Each of the industries that comprise the NC Regional economic base is made up of several industrial sub-sectors at the NAICS three and four digit levels. This section provides the detail on these sub-sectors for each of the industrial sectors selected for inclusion in the NC Regional economic base.

As can be seen from the graphic below, the ten industries that make up the NC Regional economic base constitute a significant share of the net new jobs in the economic region for those industries as well as an increasing share of the growth of net new jobs for those industries in the State. Between 1990 and 2002 these ten economic base industries added approximately 30,600 net new jobs to the NC regional economic base. This exceeds the net new job growth in the region (27,850) by 2,750 jobs¹

The share of statewide net new jobs in these ten industries remained relatively consistent over the 1990-2002 period. Steady job growth and an increasing share of the net new jobs in some of these ten industries in the State indicate that these are the industries in the NC economic region that are, and are likely to continue to be, a major source of new net new jobs in the foreseeable future. Local policies can complement or hamper these regional trends, but the statewide growth, or decline, of these industries will tend to prevent their reversal.



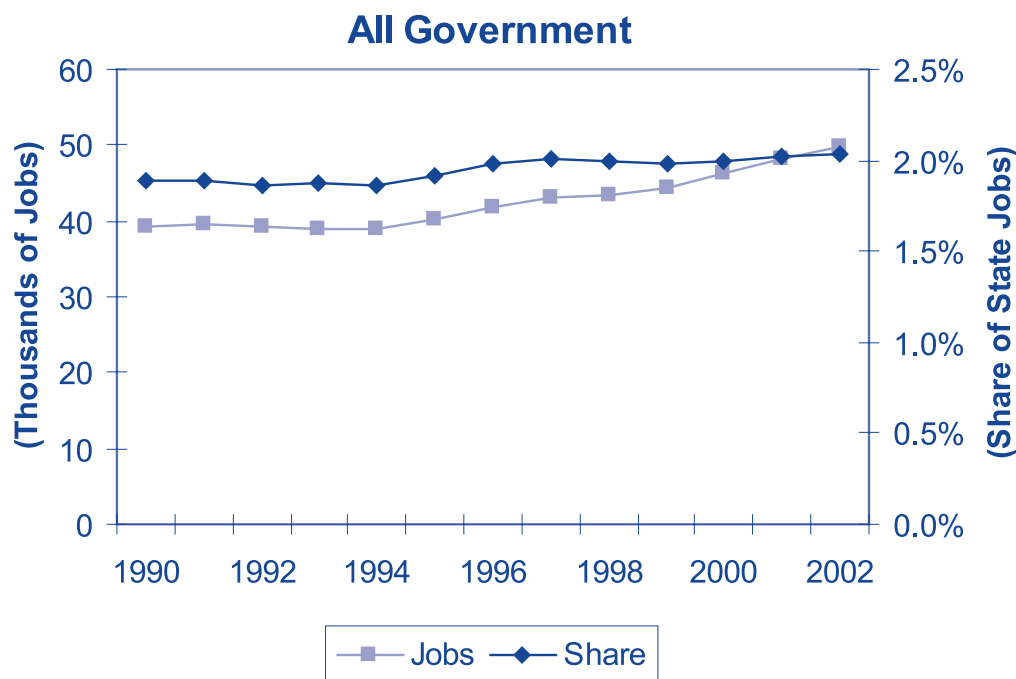
¹ The excess over total net job growth results from the job growth in these industries exceeding job losses

All Government

The All Government sector of the NC economic base is composed of jobs in the federal government, state government and local government. Jobs in public education are included in the state and local government sectors. Jobs in private sector educational organizations are not included.

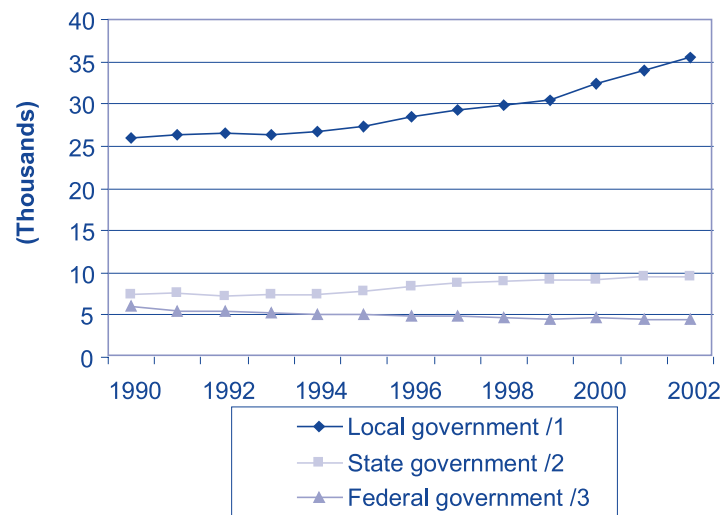
Local government, including education, was the major contributor to job growth in CA during the 1990-2002 period. This sector increased from 1.3 million jobs in 1990 to 1.7 million jobs in 2002 for an increase of approximately 400,000. During the same period State government, including education, increased from 382,000 jobs to 472,000 jobs for a gain of approximately 90,000. Federal government jobs, including defense, decreased from 362,000 to 254,000 a decrease of 108,000 over the twelve-year period.

Local government also counted for much of the job growth in the NC economic region. Over the 1990-2002 period, all government net new jobs increased from 39,200 to 49,700, an increase of 79% over the twelve-year period.



Job growth in all government was led by local government, which includes public education. During the twelve-year period, local government jobs increased by 9,700 from 25,900 to 35,600. State government increased from 7,300 to 9,600 an increase of 2,300 or 31.5% while the federal government declined from 6,000 jobs in 1990 to 4,500 jobs in 2002.

Jobs in Local, State, and Federal Government



The following table provides a breakdown of the data for the three components of the local government industrial sector in the NC economic region. The table provides this information for the benchmark years in the 1990-2002 period.

Northern California Government (Thousands of Jobs)				
	1990	1994	2000	2002
Local government /1	25.9	26.6	32.4	35.6
State government /2	7.3	7.4	9.2	9.6
Federal government /3	6.0	5.0	4.7	4.5

Source: EDD

/1 - Local government includes local education

/2 - State government includes state education

/3 - Federal government includes defense

Construction

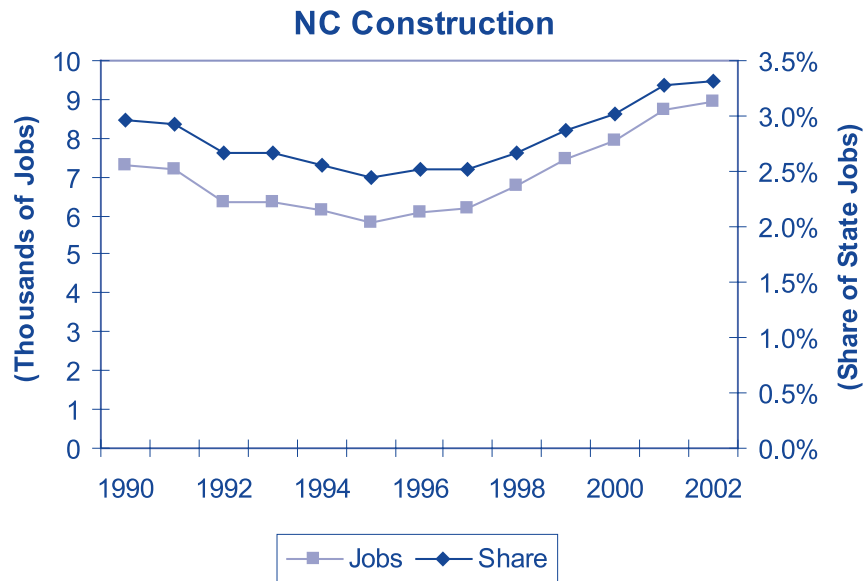
Industries in the Building, Developing, and General Contracting sub-sector comprises establishments primarily responsible for the entire construction (i.e., new work, additions, alterations, and repair) of building projects. Builders, developers, and general contractors, as well as land sub-dividers and land developers are included in this sub-sector.

Establishments identified as construction management firms for building projects are also included. The construction work may be for others and performed by custom builders, general contractors, design builders, engineer-constructors, joint-venture contractors, and turnkey contractors, or may be on their own account for sale and performed by speculative or operative builders.

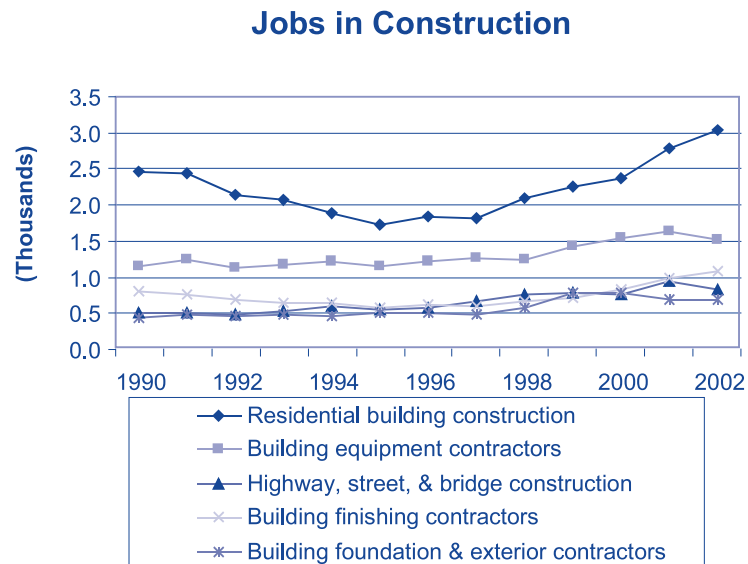
Industries in the Special Trade Contractors sub-sector engage in specialized construction activities, such as plumbing, painting, and electrical work. Those establishments that engage in activities primarily related to heavy construction, such as grading for highways, are classified in Sub-sector 234, Heavy Construction. The activities of this sub-sector may be subcontracted from builders or general contractors or it may be performed directly for project owners. The construction work performed may include new work, additions, alterations, or maintenance and repairs. Special trade contractors usually perform most of their work at the job site, although they may have shops where they perform prefabrication and other work.

Construction is primarily a local serving industrial sector driven by residential home building although commercial construction can play a major role during selected periods. The construction industrial sector is more sensitive to macroeconomic factors than most industries, principally interest rates, although changes in tax and real estate laws can play a role. Another feature of this industrial sector is that it tends to lead recoveries and declines in the State and National economy, but it is far from counter cyclical.

In California, the Construction industrial sector grew from 644,500 in 1990 to 772,600 in 2002 for a net gain in jobs of 128,100 over the twelve-year period. This represented an increase of almost 20 percent over twelve years or 16.5 percent annually. Specialty trade contractors lead the Construction industrial sector in California in job growth during the 1990-2002 period with 125,900 net new jobs or 98 percent of the net new jobs in the Construction industrial sector statewide.



The construction industrial sector in the NC economic region increased from just over 7,000 in 1990 to over 8,500 in 2002 an increase of 1,500 net new jobs, or 21%. The share of construction industrial sector jobs statewide maintained a consistent average throughout the period reaching a high of almost 3.5% in 2002 from a low of 2.5% in 1995. Most of the job growth was concentrated in residential building construction, which increased, by 500 net new jobs during the twelve year period. However, a variety of construction industries contributed to the overall job growth in construction as can be seen by the following graphic.



The following table provides the data supporting the graphics in the construction sector. The figures are reported for all sub-sectors of the construction industrial sector for the benchmark years in the 1990-2002 period.

Northern California Construction (Thousands of Jobs)				
	1990	1994	2000	2002
Residential building construction	2.5	1.9	2.4	3.0
Building equipment contractors	1.1	1.2	1.6	1.5
Highway, street, & bridge construction	0.5	0.6	0.8	0.8
Building finishing contractors	0.8	0.6	0.8	1.1
Building foundation & exterior contractors	0.4	0.5	0.8	0.7
Utility system construction	0.2	0.2	0.4	0.5
Other specialty trade contractors	0.5	0.4	0.6	0.6
Nonresidential building construction	0.5	0.4	0.4	0.6
Land subdivision	0.1	0.1	0.1	0.1
Other heavy construction	0.6	0.1	0.2	0.1

Source: California Employment Development Department

Health Care & Social Assistance

Health Care & Social Assistance is a new NAICS category. It includes four sub-sectors, Ambulatory Health Care Services, Hospitals, Nursing & Residential Care Facilities and Social Assistance.

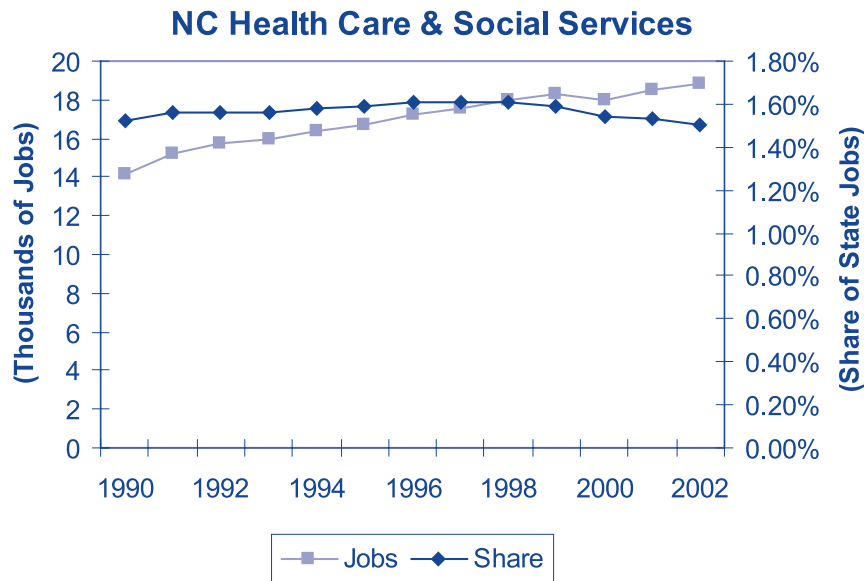
Industries in the Ambulatory Health Care Services sub-sector provide health care services directly or indirectly to ambulatory patients and do not usually provide inpatient services. Health practitioners in this sub-sector provide outpatient services, with the facilities and equipment not usually being the most significant part of the production process.

Industries in the Hospitals sub-sector provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients and the specialized accommodation services required by inpatients. Hospitals may also provide outpatient services as a secondary activity. Establishments in the Hospitals sub-sector provide inpatient health services, many of, which can only be provided using the specialized facilities and equipment that form a significant and integral part of the production process.

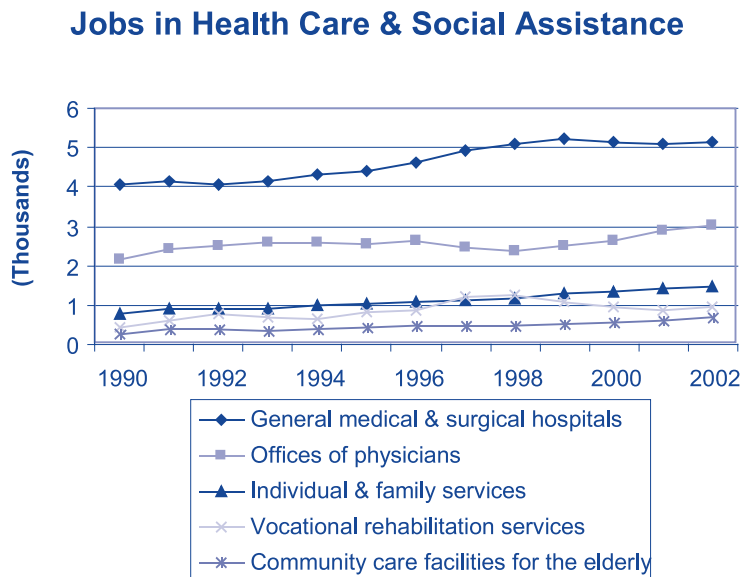
Industries in the Nursing and Residential Care Facilities sub-sector provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. In this sub-sector, the facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services.

Industries in the Social Assistance sub-sector provide a wide variety of social assistance services directly to their clients. These services do not include residential or accommodation services, except on a short stay basis.

Health Care & Social Assistance is one of the fastest growing sectors in the California economy. During the 1990-2002 period jobs in this sector increased from 931,900 to 1,235,800 for a growth rate of 32.6 percent over the twelve year period or 2.7 percent a year. The sector is made up of sixteen sub-sectors driven at the State level by three leading sectors, including ambulatory health care services, social assistance and nursing and residential care facilities with a combined growth of 278,600 net new jobs between 1990 and 2002.



Health care & social assistance is also a major source of net new jobs in the NC economic region. Job growth is centered in five sectors as shown on the following graphic. General medical and surgical hospitals led the growth generating 1,100 net new jobs in the 1990-2002 period followed by offices of physicians with an increase of 800 net new jobs. Individual & family services, vocational rehabilitation services and community care facilities for the elderly combined to generate 1,700 net new jobs.



The following table provides data on the health care & social assistance sub-sectors for the NC regional economic base. Data is provided for benchmark years for all sub-sectors.

Northern California
Health Care & Social Assistance
(Thousands of Jobs)

	1990	1994	2000	2002
General medical & surgical hospitals	4.1	4.3	5.1	5.2
Offices of physicians	2.2	2.6	2.6	3.0
Individual & family services	0.8	1.0	1.3	1.5
Vocational rehabilitation services	0.5	0.7	1.0	1.0
Community care facilities for the elderly	0.2	0.4	0.6	0.7
Outpatient care centers	0.4	0.5	0.8	0.7
Home health care services	0.3	0.5	0.5	0.6
Other residential care facilities	0.1	0.3	0.3	0.4
Residential mental health facilities	0.7	0.8	0.8	0.9
Offices of dentists	1.1	1.2	1.3	1.3
Offices of other health practitioners	0.7	0.9	0.8	0.9
Child day care services	0.8	1.0	0.9	0.9
Other ambulatory health care services	0.2	0.3	0.3	0.2
Emergency & other relief services	0.2	0.2	0.2	0.2
Psychiatric & substance abuse hospitals	0.1	0.0	0.0	0.0
Medical & diagnostic laboratories	0.1	0.2	0.0	0.0
Nursing care facilities	1.9	1.6	1.5	1.5

Source: California Employment Development Department

Administrative & Waste Services

Administrative & Waste Services is another new category introduced by the NAICS coding system. This sector includes Administrative and Support Services and Waste Management and Remediation Services.

Industries in the Administrative and Support Services sub-sector group establishments engaged in activities that support the day-to-day operations of other organizations. The processes employed in this sector (e.g., general management, personnel administration, and clerical activities, cleaning activities) are often integral parts of the activities of establishments found in all sectors of the economy.

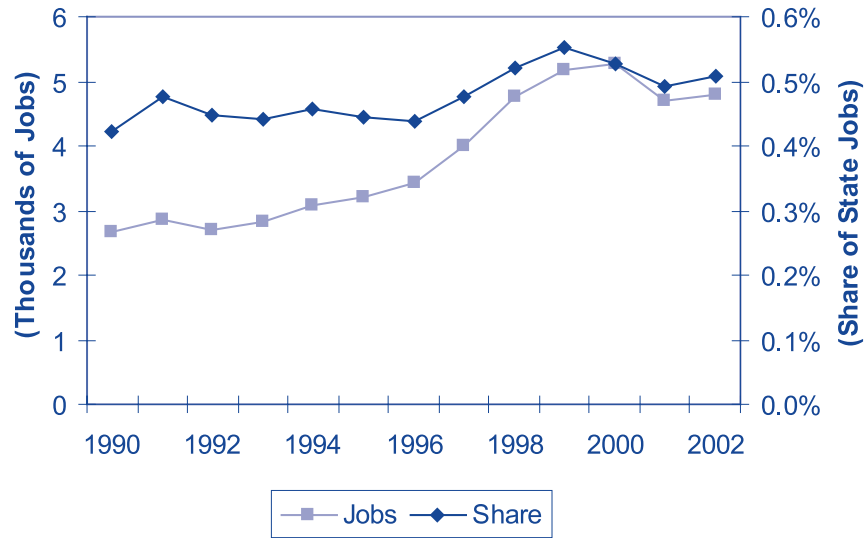
The establishments classified in this sub-sector have specialized in one or more of these activities and can, therefore, provide services to clients in a variety of industries and, in some cases, to households. The individual industries of this sub-sector are defined on the basis of the particular process that they are engaged in and the particular services they provide.

Industries in the Waste Management and Remediation Services sub-sector group establishments engaged in the collection, treatment, and disposal of waste materials. This includes establishments engaged in local hauling of waste materials; operating materials recovery facilities (i.e., those that sort recyclable materials from the trash stream); providing remediation services (i.e., those that provide for the cleanup of contaminated buildings, mine sites, soil, or ground water); and providing septic pumping and other miscellaneous waste management services. There are three industrial sector groups within the sub-sector that separate these activities into waste collection, waste treatment and disposal, and remediation and other waste management.

Administrative & Waste Services is a rapidly growing sector of the CA economy driven by the employment services sub-sector. During the 1990-2002 period this sector grew from 633,000 jobs in 1990 to 945,000 jobs in 2002 for an increase of 312,000 net new jobs over the thirteen year period, an increase of just under 50%. This made Administrative & Waste Services the third fastest growing sector in the CA economy with 65% of this growth being in the employment services sub-sector.

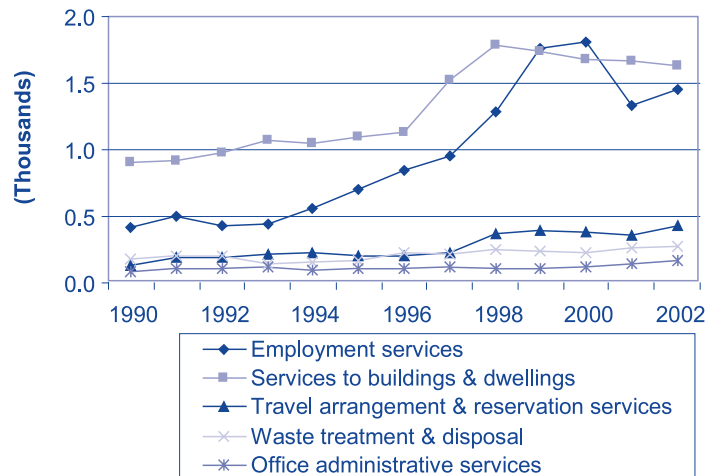
Administrative & Waste Services is composed of eleven sub-sectors. However, the sector is dominated by administrative & support services which includes the rapidly growing employment services sub-sector. Employment services grew from 225,300 to 428,400 in California over the 1990-2002 period adding 203,100 net new jobs. This 90 percent increase in employment services led Administrative & Waste Services to provide the third largest increase in net new jobs in the State.

NC Administrative & Waste Services



As with the State, employment services plays an increasingly role in providing net new jobs in the NC economic region. During the 1990-2002 period, employment services added 1,000 net new jobs to the employment mix in the region. Services to buildings & dwellings was second with an increase in net new jobs of 700 followed by travel arrangement & reservation services with 300 net new jobs. Most of the other sub-sectors provided less than 100 net new jobs or were stagnant.

Jobs in Administrative & Waste Services



The following table provides the documentation for the graphics used to describe employment in the administrative & waste services sub-section. This data is broken down by benchmark years between 1990 and 2002.

Northern California Administrative & Waste Services (Thousands of Jobs)				
	1990	1994	2000	2002
Employment services	0.4	0.6	1.8	1.4
Services to buildings & dwellings	0.9	1.0	1.7	1.6
Travel arrangement & reservation services	0.1	0.2	0.4	0.4
Waste treatment & disposal	0.2	0.2	0.2	0.3
Office administrative services	0.1	0.1	0.1	0.2
Other support services	0.0	0.0	0.1	0.1
Facilities support services	0.0	0.0	0.0	0.0
Remediation & other waste services	0.1	0.1	0.1	0.1
Investigation & security services	0.4	0.4	0.6	0.4
Business support services	0.2	0.2	0.2	0.2
Waste collection	0.2	0.2	0.1	0.1

Source: California Employment Development Department

Retail Trade

The NAICS Retail Trade sector is virtually the same as it was in the SIC coding system, with the exception of the Food Services & Accommodations sub-sector, which is now classified as a stand-alone sector.

The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and non-store retailers.

1. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. These include establishments, such as office supply stores, computer and software stores, building materials dealers, plumbing supply stores, and electrical supply stores. Catalog showrooms, gasoline services stations, automotive dealers, and mobile home dealers are treated as store retailers.

In addition to retailing merchandise, some types of store retailers are also engaged in the provision of after-sales services, such as repair and installation. For example, new automobile dealers, electronic and appliance stores, and musical instrument and supply stores often provide repair services. As a general rule, establishments engaged in retailing merchandise and providing after-sales services are classified in this sector.

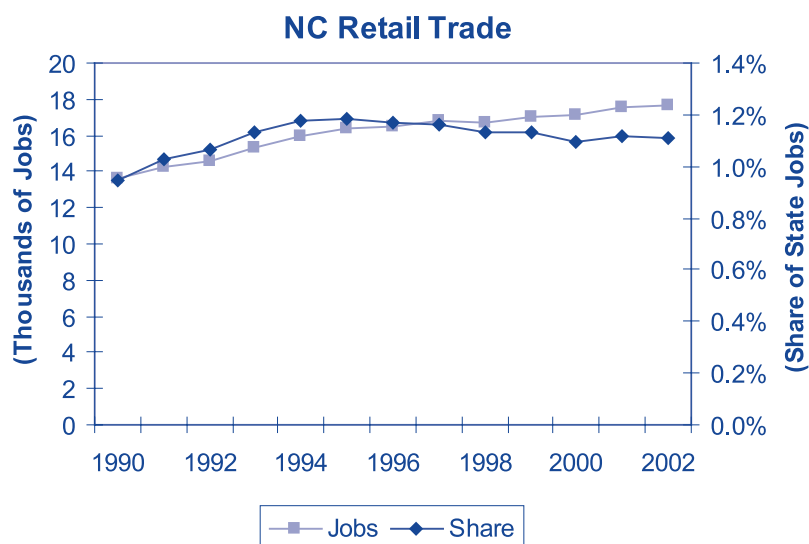
2. Non-store retailers, like store retailers, are organized to serve the general public, but their retailing methods differ. The establishments of this sub-sector reach customers and market merchandise with methods, such as the broadcasting of “infomercials,” the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls (street vendors, except food), and distribution through vending machines. Establishments engaged in the direct sale (non-store) of products, such as home heating oil dealers and home delivery newspaper routes are included here.

The buying of goods for resale is a characteristic of retail trade establishments that particularly distinguishes them from establishments in the agriculture, manufacturing, and construction industries. For example, farms that sell their products at or from the point of production are not classified in retail, but rather in agriculture. Similarly, establishments that both manufacture and sell their products to the general public are not classified in retail, but rather in manufacturing. However, establishments that engage in processing activities incidental to retailing are classified in retail. This includes establishments, such as optical goods stores that do in-store grinding of lenses, and meat and seafood markets.

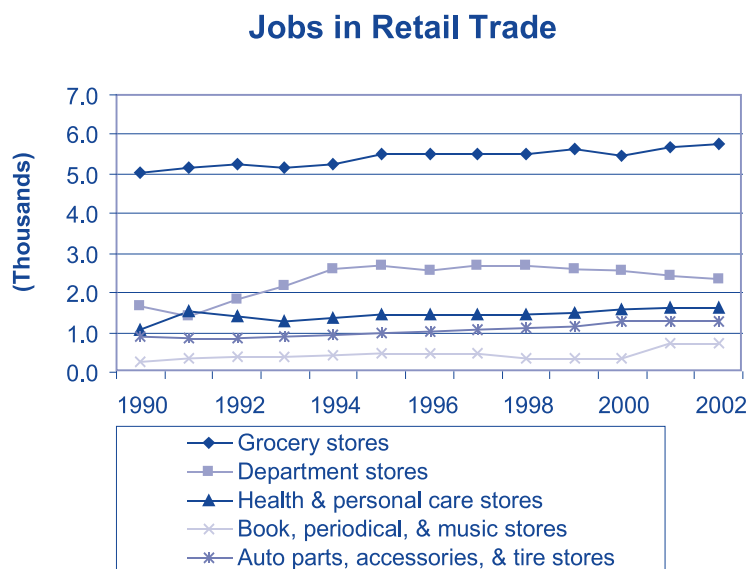
Wholesalers also engage in the buying of goods for resale, but they are not usually organized to serve the general public. They typically operate from a warehouse or office and neither the design nor the location of these premises is intended to solicit a high volume of walk-in traffic. Wholesalers supply institutional, industrial, wholesale, and retail clients; their operations are, therefore, generally organized to purchase, sell, and deliver merchandise in larger quantities. However, dealers of durable non-consumer goods, such as farm machinery and heavy-duty trucks, are included in wholesale trade even if they often sell these products in single units.

Retail Trade plays an important role in the State's economy. During the period 1990-2002 this sector grew from 1.44 million jobs to 1.58 million jobs, a growth of 140,000 over the twelve-year period, or 97%. Statewide, job growth in the retail sector was driven by, Motor Vehicle and Parts dealers which added 36,400 net new jobs, Automobile Dealers which added 33,300, Food and Beverage stores which added over 30,000 net new jobs and Building Material and Garden Supply stores which added 20,600 net new jobs.

Retail Trade grew from approximately 14,000 jobs in 1990 to approximately 17,000 jobs in 2002 and increase of 3,000 or 21% over the twelve year period. This growth tracked closely the growth of the retail trade industrial sector statewide until 1997 when the share of State jobs by the NC economic region began to fall, a trend that continued into 2002.



Job growth in retail trade was led by grocery stores, which added 800 net new jobs between 1990 and 2002. Department stores added an additional 600 net new jobs and health & personal care stores added another 500 net new jobs. Book, periodical & music stores and auto parts, accessories, & tire stores added 400 net new jobs each. A variety of other store types jointly contributed another 2,500 net new jobs to the retail trade industrial sector in the NC economic region.



The following table provides the detailed data supporting the graphics used in this section. Benchmark years during the period have been included.

Northern California Retail Trade (Thousands of Jobs)				
	1990	1994	2000	2002
Grocery stores	5.0	5.3	5.5	5.8
Department stores	1.7	2.6	2.6	2.3
Health & personal care stores	1.1	1.4	1.6	1.6
Book, periodical, & music stores	0.3	0.4	0.3	0.7
Auto parts, accessories, & tire stores	0.9	0.9	1.3	1.3
Specialty food stores	0.4	0.5	0.6	0.7
Sporting goods & musical instrument stores	0.5	0.7	0.6	0.7
Office supplies, stationery, & gift stores	0.5	0.6	0.7	0.7
Other motor vehicle dealers	0.1	0.1	0.2	0.2
Lawn & garden equipment & supplies stores	0.2	0.3	0.3	0.3
Used merchandise stores	0.1	0.1	0.2	0.2
Electronic shopping & mail-order houses	0.2	0.4	0.4	0.3
Furniture stores	0.3	0.2	0.3	0.3
Home furnishings stores	0.3	0.3	0.4	0.3
Gasoline stations	1.6	1.8	1.8	1.7
Other miscellaneous store retailers	0.5	0.4	0.5	0.5
Vending machine operators	0.0	0.0	0.0	0.0
Direct selling establishments	0.5	0.5	0.5	0.5
Automobile dealers	1.1	1.3	1.2	1.1
Florists	0.2	0.2	0.1	0.2
Jewelry, luggage, & leather goods stores	0.2	0.1	0.1	0.1
Shoe stores	0.2	0.1	0.1	0.1
Electronics & appliance stores	0.5	0.6	0.4	0.4
Building material & supplies dealers	2.3	2.1	2.1	2.2
Clothing stores	0.8	0.7	0.6	0.7
Beer, wine, & liquor stores	0.3	0.2	0.1	0.1
Other general merchandise stores	1.3	0.7	0.7	0.6

Source: California Employment Development Department

Accommodations & Food Services

Accommodations & Food Services is a new NAICS sector made up primarily of sub-sectors removed from the Retail Trade sector in the SIC coding system. The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

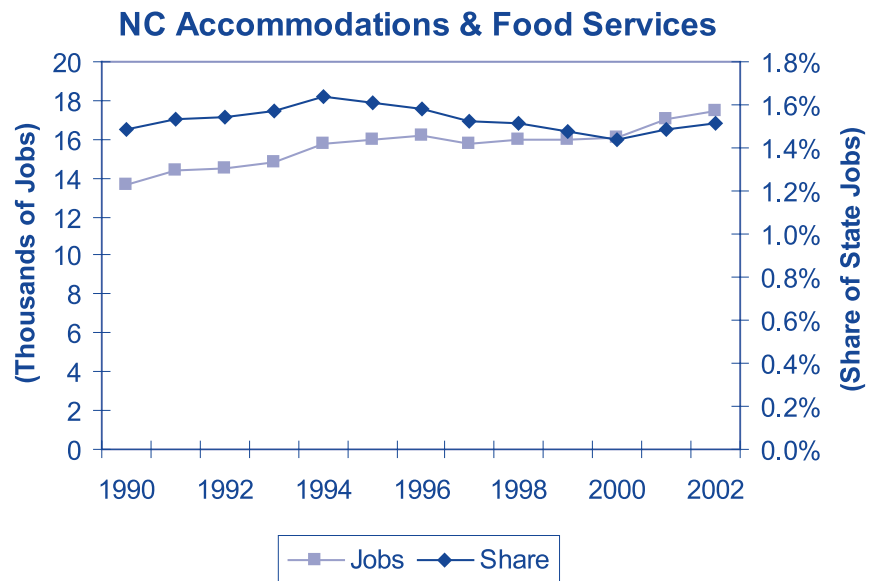
The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment. Excluded from this sector are civic and social organizations; amusement and recreation parks; theaters; and other recreation or entertainment facilities providing food and beverage services.

Industries in the Accommodation sub-sector provide lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only; while others provide meals, laundry services, and recreational facilities, as well as lodging. Lodging establishments are classified in this sub-sector even if the provision of complementary services generates more revenue. The types of complementary services provided vary from establishment to establishment.

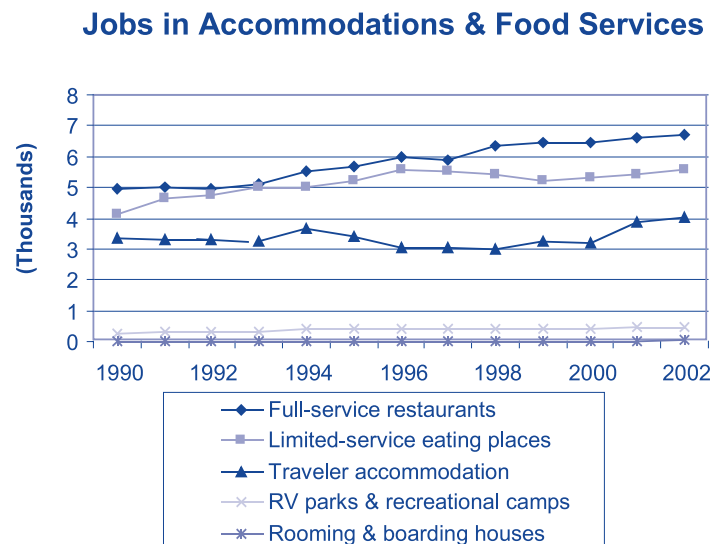
Industries in the Food Services and Drinking Places sub-sector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. The industries in the sub-sector are grouped based on the type and level of services provided. The industrial sector groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

The Accommodations & Food Services sector contributed 234,800 net new jobs to the CA economy between 1990 and 2002. The sector grew from 917,000 jobs in 1990 to 1,151,800 jobs in 2002, a growth rate of 26% over the thirteen year period. Key sub-sectors in the Accommodations & Food Services sector are full service restaurants and limited services eating-places, which added 129,200 net new jobs and 123,200 net new jobs respectively during the 1990-2002 period. Jobs in Accommodations fell statewide.

Accommodations & Food Services maintained steady growth during the 1990-2002 period increasing from approximately 14,000 to approximately 17,000 net new jobs. The NC region's share of net new jobs in this industrial sector statewide grew significantly in the early part of the period but began a decline in 1994 that lasted until 2001. The increase in job share resumed in that year and continues through the end of the period. But job share has not reached the level attained in 1994.



Increases in job growth in the accommodations & food services industrial sector in the NC economic region are led by full services restaurants which added 1,700 net new jobs during the twelve year period. Limited services eating places followed with an increase of 1,500 net new jobs and traveler accommodations with an increase of 700 net new jobs. RV parks & recreational camps added 200 net new jobs in the NC economic region for a total of 4,100 net new jobs.



The following table provides data in support of the graphics used in this section. It also provides benchmarks for selected years over the twelve year period.

Northern California				
Accommodations & Food Services				
(Thousands of Jobs)				
	1990	1994	2000	2002
Full-service restaurants	5.0	5.5	6.5	6.7
Limited-service eating places	4.1	5.0	5.3	5.6
Traveler accommodation	3.3	3.7	3.2	4.0
RV parks & recreational camps	0.3	0.4	0.4	0.5
Rooming & boarding houses	0.0	0.0	0.0	0.0
Special food services	0.2	0.5	0.1	0.1
Drinking places, alcoholic beverages	0.7	0.7	0.6	0.5

Source: California Employment Development Department

Other Services (Except Public Administration)

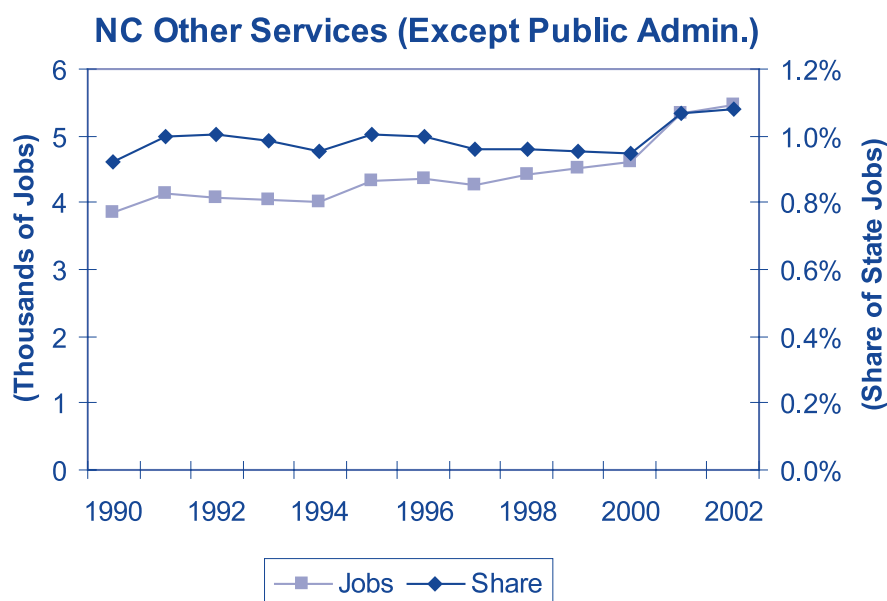
Another new NAICS sector is Other Services (Except Public Administration). This sector includes many of the sub-sectors previously found in the Services sector of the SIC codes.

The Other Services (Except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photo finishing services, temporary parking services, and dating services.

Private households that engage in employing workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector. Excluded from this sector are establishments primarily engaged in retailing new equipment and also performing repairs and general maintenance on equipment. These establishments are classified in Sector 44-45, Retail Trade.

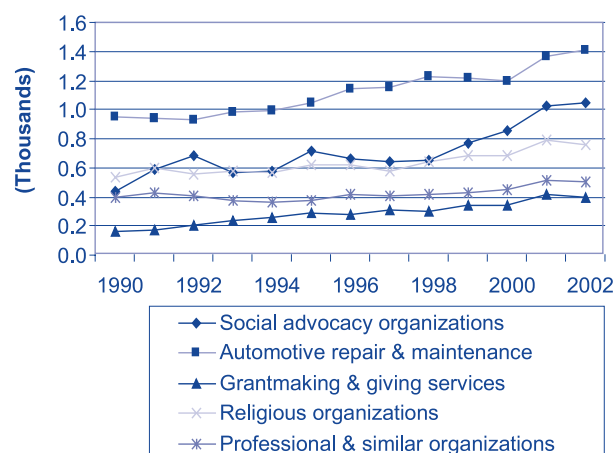
This sector added over 90,000 net new jobs to the CA economy between 1990 and 2002. The sector was driven statewide by membership associations and organization and repair and maintenance firms, which added 49,700 and 24,900 net new jobs to the CA economic base during this period.

The other services sector of the NC economic region demonstrated a similarity to the CA economy in its job growth trajectory over the 1990-2002 period. Total jobs in the region increased from approximately 4,000 in 1990 to over 5,000 in 2002, and increase of 25% during the twelve year period. However, the other services industrial sector in the NC economic region did not keep pace with the growth in the industrial sector statewide. The region fell behind the State in job share during the entire 1990-2002 period, but responded well in the final year gaining parity between regional and statewide share of net new jobs in the other services industrial sector.



Job growth in the NC economic region was concentrated in five sub-sectors of the other services industrial sector, which increased steadily over the 1990-2002 period. This growth was led by automotive repair & maintenance followed closely by social advocacy organizations. Religious organization, professional & similar organizations and grantmaking & giving services also made a contribution to the growth of other services in the NC economic region.

Jobs in Other Svcs. (Except Public Admin.)



As can be seen from the table below, social advocacy organizations led the five sub-sectors with an increase of 600 net new jobs over the 1990-2002 period. Automotive repair and maintenance was second with an increase of 500 net new jobs followed by religions organizations with an increase of 300 net new jobs. Grantmaking and giving services added 200 net new jobs and professional & similar organizations added 100 net new jobs to the job mix in the NC economic region during the twelve-year period.

Northern California Other Services (Except Public Administration) (Thousands of Jobs)

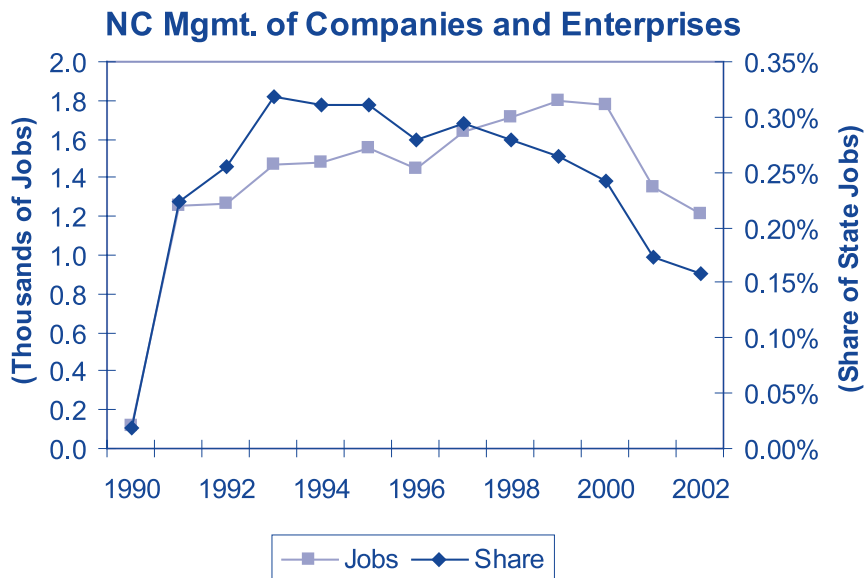
	1990	1994	2000	2002
Social advocacy organizations	0.4	0.6	0.9	1.0
Automotive repair & maintenance	0.9	1.0	1.2	1.4
Grantmaking & giving services	0.2	0.3	0.3	0.4
Religious organizations	0.5	0.6	0.7	0.8
Professional & similar organizations	0.4	0.4	0.4	0.5
Household goods repair & maintenance	0.1	0.1	0.0	0.1
Civic & social organizations	0.3	0.3	0.3	0.3
Electronic equipment repair & maintenance	0.0	0.1	0.1	0.1
Death care services	0.1	0.2	0.1	0.1
Commercial machinery repair & maintenance	0.2	0.1	0.2	0.2
Other personal services	0.1	0.1	0.0	0.1
Personal care services	0.3	0.3	0.2	0.3
Dry-cleaning & laundry services	0.3	0.3	0.2	0.2

Source: California Employment Development Department

Management of Companies & Enterprises

This is a new NAICS sector reflecting primarily the growth in holding companies. The industrial sector grew in California from 195,700 in 1990 to 276,300 in 2002 for an increase of 80,600 or 41% over the twelve-year period.

Industries in the Management of Companies and Enterprises sub-sector include three main types of establishments: (1) those that hold the securities of (or other equity interests in) companies and enterprises; (2) those (except government establishments) that administer, oversee, and manage other establishments of the company or enterprise but do not hold the securities of these establishments; and (3) those that both administer, oversee, and manage other establishments of the company or enterprise and hold the securities of (or other equity interests in) these establishments. Those establishments that administer, oversee, and manage normally undertake the strategic or organizational planning and decision making role of the company or enterprise.



Northern California				
Management of Companies and Enterprises				
(Thousands of Jobs)				
	1990	1994	2000	2002
Mgmt of Companies & Enterprises	0.1	1.5	1.8	1.2

Source: California Employment Development Department

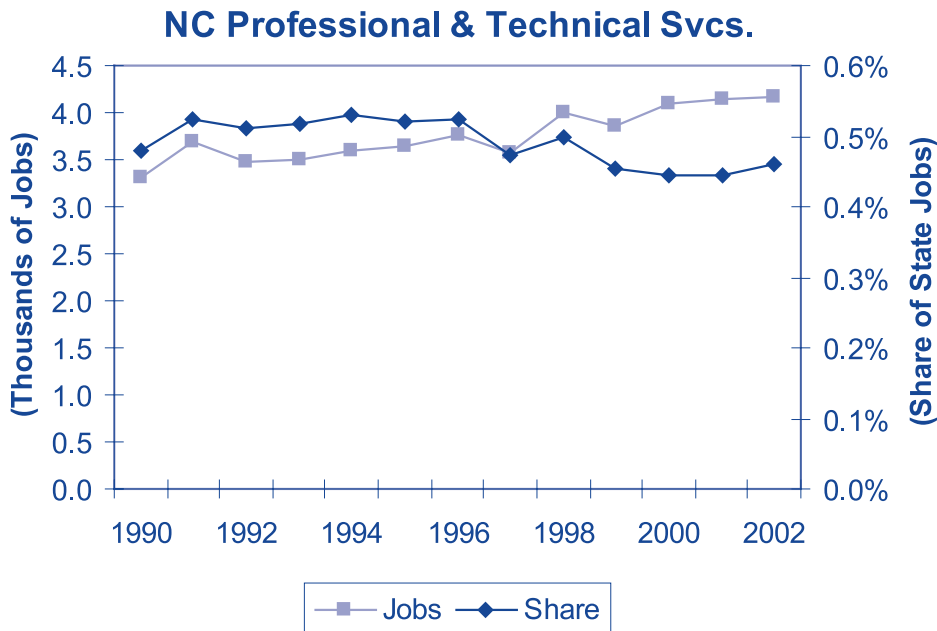
Professional & Technical Services

Industries in the Professional, Scientific, and Technical Services sub-sector group establishments engaged in processes where human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis, where an individual or team is responsible for the delivery of services to the client. The individual industries of this sub-sector are defined on the basis of the particular expertise and training of the services provider.

The distinguishing feature of the Professional, Scientific, and Technical Services sub-sector is the fact that most of the industries grouped in it have production processes that are almost wholly dependent on worker skills. In most of these industries, equipment and materials are not of major importance, unlike health care, for example, where “high tech” machines and materials are important collaborating inputs to labor skills in the production of health care. Thus, the establishments classified in this sub-sector sell expertise. Much of the expertise requires degrees, though not in every case.

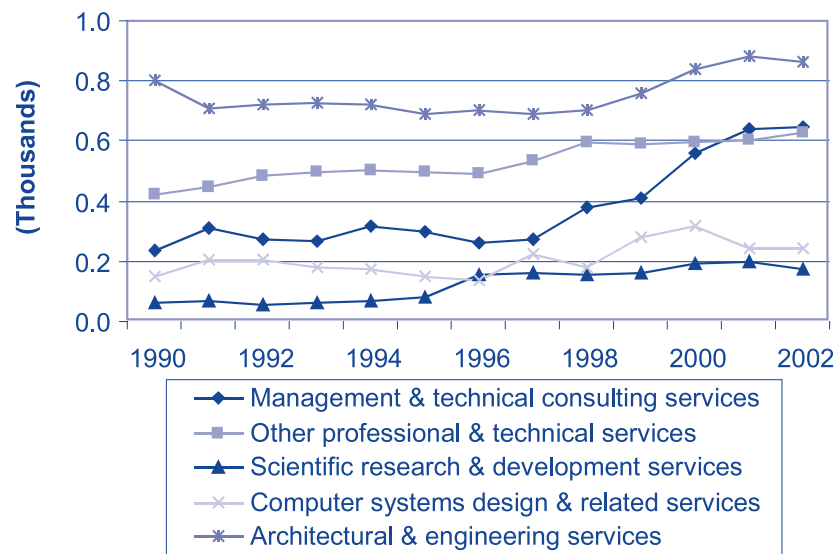
Professional & Technical Services is a major generator of net new jobs in CA. This sector added 217,600 during the 1990-2002 period growing from 687,100 in 1990 to 904,700 in 2002 for a growth rate of 32% over the twelve-year period. This sector was led by computer systems design and related services which added 106,900 net new jobs, management and technical consulting services which added 37,400 net new jobs and architectural and engineering services which added 29,200 net new jobs.

Professional & technical services are also generating net new jobs in the NC economic region. Jobs in this industrial sector increased from approximately 3,400 in 1990 to 4,200 in 2002, a gain of 800 net new jobs. During the first few years of the period the NC economic region maintained a job share in excess of the average for this industrial sector statewide. However, since 1996 the NC regions share of job growth has been dropping precipitously although some gain in job share was recovered in 2002.



Job growth in the Professional & Technical Services industrial sector in the NC economic region was concentrated in five sub-sectors led by management & technical consulting services which added 400 net new jobs during the 1990-2002 period. This sub-sector was followed by other Professional & Technical Services which added 200 net new jobs and Scientific Research & Development Services which added 100 net new jobs to the employment mix in the NC economic region over the twelve year study period.

Jobs in Professional & Technical Svcs.



Northern California Professional & Technical Svcs. (Thousands of Jobs)				
	1990	1994	2000	2002
Management & technical consulting services	0.2	0.3	0.6	0.6
Other professional & technical services	0.4	0.5	0.6	0.6
Scientific research & development services	0.1	0.1	0.2	0.2
Computer systems design & related services	0.2	0.2	0.3	0.2
Architectural & engineering services	0.8	0.7	0.8	0.9
Accounting & bookkeeping services	0.6	0.8	0.6	0.6
Specialized design services	0.1	0.0	0.1	0.1
Advertising & related services	0.2	0.2	0.2	0.2
Legal services	0.8	0.8	0.7	0.7

Source: California Employment Development Department

Arts, Entertainment, & Recreation

Three sub-sectors are included in the Arts, Entertainment, & Recreation sector under the NAICS coding system. Industries in the Performing Arts, Spectator Sports, and Related Industries sub-sector group establishments that produce or organize and promote live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, athletes, and other entertainers, including independent (i.e., freelance) entertainers and the establishments that manage their careers.

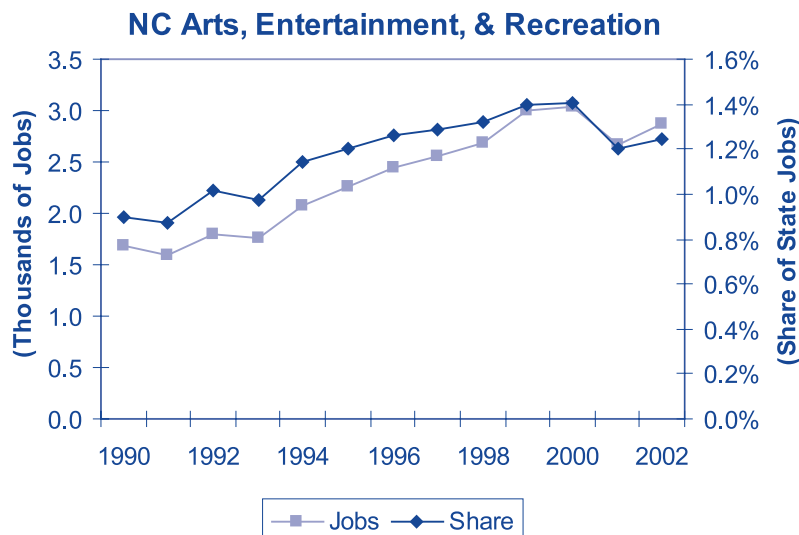
The classification recognizes four basic processes: (1) producing (i.e., presenting) events; (2) organizing, managing, and/or promoting events; (3) managing and representing entertainers; and (4) providing the artistic, creative and technical skills necessary to the production of these live events. Also, this sub-sector contains four industries for performing arts companies. Each is defined on the basis of the particular skills of the entertainers involved in the presentations.

Industries in the Museums, Historical Sites, and Similar Institutions sub-sector engage in the preservation and exhibition of objects, sites, and natural wonders of historical, cultural, and/or educational value.

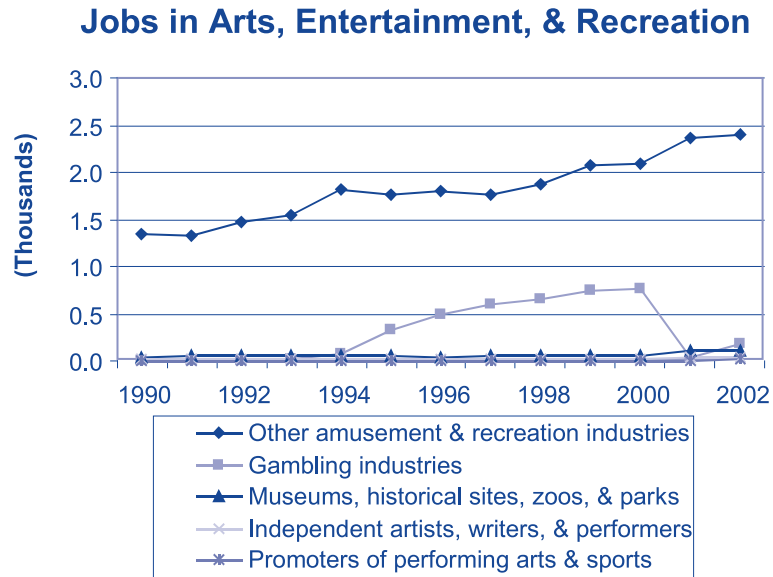
Industries in the Amusement, Gambling, and Recreation Industries sub-sector (1) operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or (2) provide other amusement and recreation services, such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment.

The Arts, Entertainment and Recreation sector in CA was led by the amusements, gambling and recreation sub-sector, which added 51,600 net new jobs to the State's job base during the 1990-2002 period. This sub-sector was followed by the museums, historical sites, and zoos and parks sub-sector, which added 4,300 net new jobs.

The Arts, Entertainment and Recreation sector in the NC economic region realized a steady growth in net new jobs over most of the 1990-2002 period, but declined in both net new jobs and share of net new jobs in 2000-2001. The decline was arrested in 2002 and job gains were realized during the balance of the period. Job growth and job share have been consistent during the entire twelve year period showing a positive relationship between the two.



Job growth in the Arts, Entertainment & Recreation industrial sector in the NC economic region is concentrated in five sub-sectors led by Other Amusement & Recreation Industries. Gambling industries showed a steady increase from 1994 to 2000, but fell off significantly for the balance of the twelve year period.



Job growth in the other amusement & recreation industries in the NC economic region during the 1990-2002 period was 1,100 leading all other sub-sectors. Gambling industries added 200 net new jobs and museums, historical sites, zoos, & parks added 100. The other sub-sectors added less than 100 net new jobs during the study period and one sector, performing arts companies lost 100 net new jobs.

Northern California Arts, Entertainment, & Recreation (Thousands of Jobs)				
	1990	1994	2000	2002
Other amusement & recreation industries	1.3	1.8	2.1	2.4
Gambling industries	0.0	0.1	0.8	0.2
Museums, historical sites, zoos, & parks	0.0	0.1	0.1	0.1
Independent artists, writers, & performers	0.0	0.0	0.0	0.0
Promoters of performing arts & sports	0.0	0.0	0.0	0.0
Spectator sports	0.0	0.1	0.0	0.0
Agents & managers for public figures	0.0	0.0	0.0	0.0
Amusement parks & arcades	0.0	0.0	0.0	0.0
Performing arts companies	0.2	0.0	0.1	0.1

Source: California Employment Development Department

APPENDIX

All Government

Local government includes local education
State government includes state education
Federal government includes defense

Management of Companies & Enterprises

Management of Companies & Enterprises

Health Care & Social Assistance

General medical & surgical hospitals
Offices of physicians
Individual & family services
Vocational rehabilitation services
Community care facilities for the elderly
Outpatient care centers
Home health care services
Other residential care facilities
Residential mental health facilities
Offices of dentists
Offices of other health practitioners
Child day care services
Other ambulatory health care services
Emergency & other relief services
Psychiatric & substance abuse hospitals
Medical & diagnostic laboratories
Nursing care facilities

Administrative & Waste Services

Employment services
Services to buildings & dwellings
Travel arrangement & reservation services
Waste treatment & disposal
Office administrative services
Other support services
Facilities support services
Remediation & other waste services
Investigation & security services
Business support services
Waste collection

Retail Trade

Grocery stores
Department stores
Health & personal care stores
Book, periodical, & music stores
Auto parts, accessories, & tire stores
Specialty food stores
Sporting goods & musical instrument stores
Office supplies, stationery, & gift stores
Other motor vehicle dealers
Lawn & garden equipment & supplies stores
Used merchandise stores
Electronic shopping & mail-order houses
Furniture stores
Home furnishings stores
Gasoline stations
Other miscellaneous store retailers
Vending machine operators
Direct selling establishments
Automobile dealers
Florists
Jewelry, luggage, & leather goods stores
Shoe stores
Electronics & appliance stores
Building material & supplies dealers
Clothing stores
Beer, wine, & liquor stores
Other general merchandise stores

Accommodations & Food Services

Full-service restaurants
Limited-service eating places
Traveler accommodation
RV parks & recreational camps
Rooming & boarding houses
Special food services
Drinking places, alcoholic beverages

Other Services

- Social advocacy organizations
- Automotive repair & maintenance
- Grantmaking & giving services
- Religious organizations
- Professional & similar organizations
- Household goods repair & maintenance
- Civic & social organizations
- Electronic equipment repair & maintenance
- Death care services
- Commercial machinery repair & maintenance
- Other personal services
- Personal care services
- Dry-cleaning & laundry services

Construction

- Residential building construction
- Building equipment contractors
- Highway, street, & bridge construction
- Building finishing contractors
- Building foundation & exterior contractors
- Utility system construction
- Other specialty trade contractors
- Nonresidential building construction
- Land subdivision
- Other heavy construction

Professional & Technical Svcs

- Management & technical consulting services
- Other professional & technical services
- Scientific research & development services
- Computer systems design & related services
- Architectural & engineering services
- Accounting & bookkeeping services
- Specialized design services
- Advertising & related services
- Legal services

Arts, Entertainment, & Recreation

- Other amusement & recreation industries
- Gambling industries
- Museums, historical sites, zoos, & parks
- Independent artists, writers, & performers
- Promoters of performing arts & sports
- Spectator sports
- Agents & managers for public figures
- Amusement parks & arcades
- Performing arts companies

